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FAIRCHILD'S TEXTILE & APPAREL FINANCIAL DIRECTORY 1986

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Editor's Note: In order to present a clearer picture of a company's involvement in the Textile and Apparel fields, we have, in some cases, included only those divisions and subsidiaries related to Textile & Apparel.

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The following tables and analysis have been compiled and prepared by the Fairchild Market Research Division, Audrey S. Balchen, Director.

GENERAL TRENDS

Following a weak 1985 performance, the textile and apparel industry registered gains in 1986. First half 1986 sales results for leading publicly-owned companies showed a 12% gain from 1985, accompanied by a 64% rise in profits.

A key reason for optimism regarding future trends is the major restructuring undertaken by many companies. They are disposing of weak operations that have been the hardest hit by low-cost imports, such as apparel fabric production. These firms are concentrating on market sectors less vulnerable to imports, like industrial textiles, with the end result being a leaner, more profitable company with low overhead. Plant closings, mergers and consolidations in the industry have reduced excess manufacturing capacity and helped to weed out the inefficient operations. The remaining operations should be able to compete more successfully against foreign manufacturers.

Devaluation of the U.S. Dollar has not had an immediate effect on U.S. export markets and not all potential customer nations have stronger currencies in relation to the dollar. However, the textile and apparel industry hopes to find stronger markets developing in Europe and Japan.

One of the main competitive problems faced by domestic manufacturers is the much lower wages paid by foreign competitors. The labor-intensive nature of the apparel industry in the U.S. has led to manufacturing costs far higher than those of such major apparel shippers abroad as Taiwan, Hong Kong and Korea. To combat this trend, U.S. firms are making use of "sourcing" — engaging foreign producers to furnish some or all components at various stages of the manufacturing process. Domestic manufacturers are also taking advantage of the "807" law, by which a U.S. apparel firm is allowed to cut fabric for the various parts of a garment, ship the parts to a foreign country for assembly, then import the finished garment, paying duty on the value added to the cut pieces. In addition, some large U.S. apparel firms have wholly-owned or jointly-owned overseas plants.

In August 1986, the United States renewed its participation in the Multi-Fiber Agreement which will facilitate bilateral trade accords between the U.S. and foreign suppliers. By mid-1986, the U.S. had renegotiated textile accords with its three biggest suppliers: South Korea, Hong Kong and Taiwan, who account for 33.5% of all regulated textile-apparel shipments to the U.S.

In August 1986, an effort to override President Reagan's veto of a trade bill that would have placed strict limits on imports of textiles from 12 countries, most of them in Asia, failed. However, advocates of such restrictions are seeking other legislative action, including an import licensing plan for all merchandise entering the country, hoping to curtail the illegal shipment of goods into the U.S.

Employment in the textile and apparel industry averaged 1.8 million workers for the first half of 1986, a decline of 0.4% from the first half of 1985. Compared with the first half of 1981, there was an 11.7% decline in the number of jobs. The number of textile jobs (38% of the total) fell 0.5% from 1985 and 15.0% from 1981. Apparel jobs (62% of the total) were down 0.4% and 9.6%, respectively.

PRODUCT PROFILES, 1985

TEXTILE FIBERS & TEXTILE MILL PRODUCTS

	Fibers		Yarns	Fabrics	
	Organic	Cellulosic		Broadwoven	Knit
Value of shipments (mil. \$)*	8,538	1,120	5,083	16,704	4,379
Value of U.S. exports (mil. \$)	1,025	48	77	576	54
Value of imports (mil. \$)	251	30	203	2,017	25
Exports as a % of shipments	12.0	4.3	1.5	3.4	1.2
Imports as a % of new supply**	2.9	2.6	3.8	10.8	0.6
Imports as a % of apparent consumption***	3.2	2.7	2.4	3.9	0.6

APPAREL (Major Classifications)

	Women's Wear			Men's & Boys' Wear		
	Blouses	Dresses	Suits/Coats	Trousers	Suits/Coats	Work Clothes
Value of shipments (mil. \$)*	3,033	3,635	3,293	1,924	2,513	4,132
Value of U.S. exports (mil. \$)	28	26	27	65	17	42
Value of imports (mil. \$)	1,941	nr	1,192	nr	979	857
Exports as a % of shipments	0.9	0.7	0.8	3.3	0.7	1.0
Imports as a % of new supply**	39.0	--	36.2	--	28.0	17.2
Imports as a % of apparent consumption***	39.2	--	26.7	--	28.2	17.3

nr - not reported.

* - Value of shipments of specified products by all U.S. producers.

** - New supply is the sum of product shipments plus imports.

*** - Apparent consumption is the sum of product shipments plus imports less exports.

Source: U.S. International Trade Administration, 1986 U.S. Industrial Outlook

TEXTILE AND APPAREL INDUSTRY TRENDS, 1983-1985

(in millions of dollars except as noted)

TEXTILE MILL PRODUCTS INDUSTRY (SIC 22)*

	1985(e)	1984(e)	1983	% Change 1985/1984
Value of industry shipments (\$)**	982	56,293	53,358	+ 3.0%
Value of shipments (1972 \$)	4,907	54,128	52,709	+ 1.4
Total employment (000)	707	737	723	- 4.0
Production workers (000)	619	638	624	- 3.0
Average hourly earnings (\$)	6.81	6.57	6.32	+ 3.7

APPAREL & OTHER TEXTILE PRODUCTS (SIC 23)*

Value of industry shipments (\$)**	55,171	56,055	55,480	- 1.6
Value of shipments (1972 \$)	52,594	54,062	54,759	- 2.7
Total employment (000)	1,202	1,243	1,190	- 3.3
Production workers (000)	1,021	1,059	1,003	- 3.6
Average hourly earnings (\$)	nr	nr	5.07	--

(e) - estimated

nr - not reported

* Industry definitions, as classified in the official Standard Industrial Classification System, are as follows:

Textile Mill Products Industry (SIC 22) includes mills engaged in any of the following operations: (1) preparation of fiber and manufacture of yarn, thread, braids, twine, cordage; (2) manufacture of knit and woven fabrics and of carpets and rugs from yarn; (3) dyeing and finishing operations; (4) coating, waterproofing, special treating of fabrics; (5) the integrated manufacture of knit apparel and other finished articles from yarn; (6) the manufacture of felt goods, lace goods, non-woven fabrics and miscellaneous textiles.

Apparel & Other Textile Products (SIC 23) (the cutting-up and needle trades) includes establishments producing clothing and fabricated products by cutting and sewing purchased woven or knit textile fabrics and related materials, such as leather, plastics, fur, etc. Besides clothing, the industry includes manufacturers of curtains and draperies, household textiles, canvas products and other fabricated textiles. As noted, knitwear made in knitting mills (rather than cut and sewed) is classified in SIC 22.

** The value of all products and services sold by the industry.

Source: U.S. International Trade Administration, 1986 U.S. Industrial Outlook

TEXTILE INDUSTRY MARKET INDICATORS

	June 1986	May 1986	June 1985	% Change 1986/1985
Industry employment (thous.).....	710.4	706.0	704.4	+ 0.9%
Production workers (thous.).....	614.8	610.7	608.1	+ 1.1
Average hourly earnings.....	\$6.85	\$6.88	\$6.68	+ 2.5
Weekly hours worked.....	40.9	41.0	39.9	+ 2.5
Unemployment rate, textile mill workers (%).....	7.8	7.2	6.7	--
Textile production index (1967 = 100)*.....	109.4	110.0	100.0	+ 9.4
Knit goods production index (1977 = 100)*.....	105.2	106.6	99.6	+ 5.6
Manmade fibers output index (1977 = 100)*.....	97.3	96.9	96.9	+ 0.4
Textile capacity utilization (%).....	88.7	89.2	81.5	--
Consumer price index, apparel (1967 = 100)*.....	na	187.3	187.9	--
Producer price index, textiles & apparel (1967 = 100).....	211.1	211.3	210.2	+ 0.4
Manmade fibers (Dec. 1975 = 100).....	149.4	149.8	156.3	- 4.4
Processed yarns & threads (Dec. 1975 = 100).....	140.3	140.7	141.2	- 0.6
Gray fabrics (Dec. 1975 = 100).....	151.5	150.6	151.7	- 0.1
Finished fabrics (Dec. 1975 = 100).....	126.3	126.5	125.6	+ 0.6
Homefurnishings (1967 = 100).....	241.0	241.4	239.6	+ 0.6
Carpet (1967 = 100).....	168.7	168.5	164.4	+ 2.6
Apparel retail sales (bil. \$).....	\$6.159	\$6.157	\$5.729	+ 7.5
Textile manufacturers' sales (bil. \$)*.....	\$4.333	\$4.487	\$4.287	+ 1.1
Inventories (bil. \$)*.....	\$6.659	\$6.622	\$6.747	- 1.3
Inventory-sales ratio*.....	1.537	1.476	1.574	- 2.4
Textile and apparel imports (mil. \$) (year to date).....	\$7,044.0	\$5,624.5	\$6,188.4	+ 13.8
Textile and apparel exports (mil. \$) (year to date).....	\$1,094.3	\$854.5	\$926.4	+ 18.1

na - not available

* - Latest month is May 1986, previous month is April 1986 and year-ago is May 1985

Source: *America's Textiles International*, August 1986

TEXTILE MILL PRODUCTS-CORPORATE SALES AND PROFITS

	Year		1985 (Quarters)				1986
	1985	1984	4th	3rd	2nd	1st	1st
Sales (mil. \$).....	\$50,470	50,426	13,229	12,468	12,798	11,975	12,950
Income (mil. \$):							
Before taxes.....	2,077	2,838	797	437	437	406	685
After taxes.....	1,200	1,666	466	269	263	202	426
Income as a % of sales:							
Before taxes.....	4.1	5.7	6.0	3.5	3.4	3.4	5.3
After taxes.....	2.4	3.3	3.5	2.2	2.1	1.7	3.3

Source: U.S. Bureau of the Census, *Quarterly Financial Report*

FIRST HALF 1986 RESULTS FOR LEADING TEXTILE & APPAREL COMPANIES

(Millions of Dollars)

	Sales				Profits			
	2nd Quarter 1986	% Change from 1985	6 Months 1986	% Change from 1985	2nd Quarter 1986	% Change from 1985	6 Months 1986	% Change from 1985
Brown Group	\$339.6	0	\$707.9	+ 1%	\$7.8	- 7%	\$22.3	+ 11%
Burlington Industries	688.1	- 7%	1,367.9	- 6	14.0	+ 144	33.9	+ 211
Collins & Aikman	289.6	+ 7	563.1	+ 5	18.1	+ 2	33.6	+ 6
DWG	276.8	+ 3	1,084.5	+ 10	- 2.4	--	- 9.4	--
Farah Mfg.	98.4	+ 19	171.1	+ 21	1.5	- 40	2.4	- 44
Fieldcrest Cannon	256.7	+ 113	465.2	+ 92	4.8	--	- 1.4	--
Genesco	123.7	- 4	262.1	- 4	- 5.7	--	- 16.6	--
Hartmarx	245.4	- 7	535.8	- 3	2.3	- 75	10.6	- 51
Interco	579.2	- 2	1,162.2	- 1	14.4	+ 28	45.3	+ 45
Kellwood	112.9	+ 6	215.0	+ 21	6.3	+ 51	10.2	+ 66
Lis Claiborne	178.9	+ 47	382.6	+ 44	17.6	+ 48	40.3	+ 41
Manhattan Industries	103.5	- 17	217.0	- 20	1.2	--	2.0	--
Nike	245.0	- 5	503.6	+ 5	13.7	+ 103	25.2	+ 443
Oxford Industries	129.9	+ 3	248.9	- 4	2.6	+ 974	4.8	+ 422
Phillips-Van Heusen	104.1	- 13	232.7	- 18	3.8	+ 48	7.2	+ 61
Reebok International	215.6	+ 230	390.1	+ 271	32.8	+ 360	57.8	+ 394
Russell	95.3	+ 7	193.1	+ 14	8.3	+ 81	18.3	+ 87
Shaw Industries	156.9	+ 14	282.7	+ 8	8.2	+ 13	12.1	+ 5
Springs Industries	349.5	+ 70	719.7	+ 75	4.5	+ 137	9.2	+ 80
Stevens (J.P.)	451.6	+ 2	828.8	+ 2	9.7	--	19.8	--
VF	345.5	0	662.3	+ 2	29.9	- 6	55.5	0
West Point-Pepperell	490.8	+ 59	915.8	+ 60	10.8	- 3	22.1	+ 86
Industry Composite	5,877.2	+ 12	12,112.1	+ 12	204.3	+ 67	405.3	+ 64

Source: *Business Week*, August 18, 1986

**VALUE OF SHIPMENTS OF SPECIFIED TYPES OF APPAREL
BY ALL PRODUCERS**
(Millions of Dollars)

	1985	1984	% Change 1985/1984
Total, reported types*	\$32,407.6	\$33,417.0	- 3.0%
Women's, misses', juniors' apparel	13,432.5	14,324.9	- 6.2
Dresses, suits	3,500.6	3,611.5	- 3.1
Blouses, shirts, sweaters	3,513.6	3,676.8	- 4.4
Coats, jackets, vests, raincoats	1,515.3	1,797.0	- 15.7
Skirts, pants	3,756.2	3,964.5	- 5.3
Activewear, playwear	884.1	1,005.5	- 12.1
Washable service apparel	262.7	269.6	- 2.6
Girls', children's, infants' wear	2,448.0	2,523.0	- 3.0
Dresses	584.7	599.6	- 2.5
Blouses, shirts, sweaters	740.8	743.8	- 0.4
Coats, suits, jackets, raincoats	149.9	167.3	- 10.4
Skirts, slacks, jeans	468.9	495.2	- 5.3
Playgarments, shorts	503.7	517.1	- 2.6
Underwear			
Women's and children's	987.0	1,031.8	- 4.3
Nightwear			
Women's and children's	1,208.4	1,212.5	- 0.3
Men's & boys' wear	14,331.7	14,324.8	+ 0.1
Suits, incl. uniforms, men's	1,209.3	1,204.7	+ 0.4
Suits, incl. uniforms, boys'	69.0	71.8	- 3.9
Overcoats, topcoats, car coats, men's	109.9	107.7	+ 2.0
Overcoats, topcoats, car coats, boys'	2.9	2.8	+ 3.6
Raincoats, men's & boys'	137.6	134.9	+ 2.0
Sportcoats, vests, men's	1,032.0	1,043.4	- 1.1
Sportcoats, boys'	34.6	33.5	+ 3.3
Shorts, slacks, jeans, men's	3,747.5	3,726.9	+ 0.6
Shorts, slacks, jeans, boys'	752.0	724.6	+ 3.8
Shirts, men's & boys'	2,926.9	2,900.2	+ 0.9
Sweaters, men's & boys'	322.4	353.0	- 8.7
Active sportswear, men's & boys'	915.8	847.2	+ 8.1
Outerjackets, men's & boys'	746.5	754.5	- 1.1
Work wear, men's & boys'	987.6	1,072.3	- 7.9
Underwear, men's & boys'	1,182.8	1,194.2	- 1.0
Nightwear, men's & boys'	154.9	153.1	+ 1.2

* - Does not include furs, hosiery and other apparel made in knitting mills, and accessories.

NOTE: The CURRENT INDUSTRIAL REPORT covers both manufacturers, government contractors, and jobbers of apparel, except very small firms (generally less than five employees). Included in the CIR are garments cut in the U.S., sent outside the country to be sewn, then imported into the U.S. under the provisions of item 807.00 of the Tariff Schedule. Not included are apparel items wholly made abroad and "sourced" by U.S. manufacturers.

Source: U.S. Bureau of the Census, *Current Industrial Reports* (MA23E,F,G)

**MAN-MADE FIBER SHIPMENTS BY U.S. PRODUCERS,
1984, 1985 and FIRST HALF 1986**
(Millions of Pounds)

	January - June			Full Year		
	1986	1985	% Change 1986/1985	1985	1984	% Change 1985/1984
Total man-made fibers	4,109.5	4,040.8	+ 1.7%	8,168.8	8,016.5	+ 1.9%
Yarn & monofilaments:						
Cellulosic yarn	108.8	105.7	+ 2.9	210.1	198.3	+ 6.0
Nylon*:						
Industrial	168.0	176.5	- 4.8	345.1	375.1	- 8.0
Low denier industrial	**	**	--	28.5	34.0	- 16.2
Carpet	433.5	380.3	+ 14.0	835.4	794.9	+ 5.1
Textile	185.6	178.4	+ 4.0	326.9	353.4	- 7.5
Polyester:						
Industrial	156.9	149.6	+ 4.9	292.1	313.1	- 6.7
Low denier industrial	12.8	10.6	+ 20.8	22.9	24.8	- 7.7
Textile	413.7	489.8	- 15.5	997.5	860.2	+ 16.0
Olefin	499.9	477.0	+ 4.8	938.2	742.1	+ 26.4
Staple & tow & fiberfill:						
Rayon	196.8	171.8	+ 14.6	358.7	384.0	- 6.6
Nylon*	405.2	401.9	+ 0.8	843.6	831.3	+ 1.5
Acrylic & modacrylic	313.1	326.4	- 4.1	643.8	666.2	- 3.4
Polyester	1,049.7	1,030.7	+ 1.8	2,038.6	2,192.4	- 7.0
Olefin & vinyon	165.5	142.1	+ 16.5	287.4	246.7	+ 16.5

* - Nylon excludes Aramid

** - Low denier industrial Nylon is included with Textile

Source: Textile Economics Bureau, *Textile Organon* (January and July 1986)

**SUMMARY OF PRODUCTION DATA
FOR BROADWOVEN (Gray) FABRICS, 1982-1985**
(Millions of Square Yards)

	1985	1984	1983	1982
COTTON BROADWOVEN FABRICS				
Total	3,920.5	4,002.1	4,192.2	3,794.4
Duck and allied fabrics	93.3	115.2	99.0	85.9
Sheeting and allied coarse and medium yarn fabrics	478.1	525.8	543.7	510.5
Print cloth yarn fabrics	1,679.2	1,746.2	1,696.9	1,518.1
Toweling and washcloth fabrics	368.6	373.1	464.6	467.4
Blanketing fabrics	109.1	102.0	81.0	70.5
MANMADE FIBER BROADWOVEN FABRICS				
Total	10,796.6	11,852.4	11,460.7	9,760.4
100% filament yarn fabrics:				
Chiefly nylon fabrics	371.8	579.0	485.1	419.2
100% spun yarn fabrics:				
Chiefly rayon/acetate fabrics	101.9	112.9	86.9	94.1
Polyester/cotton blends	3,844.0	4,317.7	4,417.4	3,946.7
Combinations of filament and spun yarn fabrics	866.6	1,057.0	1,094.9	853.3
Silk, paper, other specialty fabrics	272.0	231.9	190.8	169.9
WOOLEN AND WORSTED FABRICS				
Total, except felts	138.3	159.4	143.5	121.1
Apparel fabrics:				
Men's and boys'	56.3	67.1	58.6	55.0
Women's and children's	73.2	81.2	79.3	60.5
Nonapparel fabrics	8.8	11.0	5.6	5.7
Woven felts (millions of pounds)	10.6	11.9	11.5	9.7
TIRE CORD AND TIRE CORD FABRICS (millions of pounds)				
Total	495.5	564.5	542.7	498.1
Rayon	8.6	10.9	11.1	na
Nylon	200.5	232.3	213.3	181.1
Polyester	148.9	171.1	156.8	166.1
Glass	13.9	21.1	24.0	na
All other, including steel	123.6	129.1	137.6	115.6

na - not available.

Source: U. S. Bureau of the Census, *Current Industrial Reports* (MQ22T)

1985 STATISTICS FOR 23 LEADING FIBER & TEXTILE MANUFACTURERS

Company	Sales (000's)		% Chg.	Net Income (000's)		% Chg.	% Net Income to Sales		Pre-Tax Income (000's)		Shareholders' Equity (000's)		% Net Income to Shareholders' Equity	
	1985	1984		1985	1984		1985	1984	1985	1984	1985	1984	1985	1984
du Pont (A)	\$29,483,000	\$30,559,000	- 3.52	\$1,118,000	\$1,431,000	- 21.87	3.79	4.68	\$3,195,000	\$3,944,000	\$12,659,000	\$12,233,000	8.83	11.70
Monsanto (B)	6,747,000	6,691,000	+ 0.84	(98,000)	439,000	—	—	6.56	(298,000)	707,000	3,407,000	3,634,000	—	12.08
Owens-Corning	3,304,959	3,021,183	+ 9.39	131,212	113,886	+ 15.21	3.97	3.77	167,451	180,974	944,683	841,629	13.89	13.53
Celanese	3,046,000	3,328,000	- 8.47	178,000	161,000	+ 10.56	5.84	4.84	240,000	262,000	1,017,000	1,099,000	17.50	14.65
Burlington	2,802,134	3,168,760	- 11.57	12,574	62,399	- 79.85	0.45	1.97	7,505	96,677	1,150,779	1,193,266	1.09	5.23
J.P. Stevens (C)	1,698,300	1,865,500	- 8.96	(15,500)	22,000	—	—	1.18	(56,906)	6,920	501,807	539,107	—	4.08
West Point-Pepperell +	1,204,158	1,333,246	- 9.68	28,361	55,725	- 49.11	2.36	4.18	48,061	92,725	461,436	454,868	6.15	12.25
Collins & Aikman	1,100,699	1,040,373	+ 5.80	66,372	62,692	+ 5.87	6.03	6.03	116,138	109,036	343,209	289,932	19.34	21.62
Springs Ind.	1,013,492	944,990	+ 7.25	13,271	36,071	- 63.21	1.31	3.82	20,629	55,137	442,223	441,368	3.00	8.17
United Merch. & Mfr. (D)	795,360	563,193	+ 41.22	(20,366)	12,350	—	—	2.19	(1,751)	26,795	148,157	167,462	—	7.37
Dominion Textile	765,870	877,846	- 12.76	(14,375)	23,130	—	—	2.63	(30,528)	43,803	305,867	311,043	—	7.44
Fieldcrest	586,092	572,821	+ 2.32	13,062	4,143	+ 215.28	2.23	0.72	22,682	6,043	181,163	172,096	7.21	2.41
Celanese Canada (E)	371,683	387,420	- 4.06	12,555	6,231	+ 101.49	3.38	1.61	16,797	9,205	144,050	134,847	8.72	4.62
Guilford	356,521	360,572	- 1.12	17,304	25,125	- 31.13	4.85	6.97	29,804	48,325	150,828	139,343	11.47	18.03
Dixie Yarns	253,471	283,130	- 10.49	7,093	3,258	+ 117.71	2.80	1.15	12,788	4,602	47,523	43,041	14.93	7.57
Avondale Mills (F)	238,263	310,603	- 23.29	(2,918)	12,407	—	—	3.99	(14,175)	20,712	96,394	102,298	—	12.13
Bibb Co.	226,819	245,768	- 7.71	6,366	3,329	+ 91.23	2.81	1.35	7,716	4,029	72,535	66,988	8.78	4.97
Unifi	216,039	216,520	- 0.22	6,338	7,350	- 13.77	2.93	3.39	11,170	13,469	71,312	68,076	8.89	10.80
Thomaston Mills	132,495	145,432	- 8.90	(162)	2,883	—	—	1.98	(1,565)	4,300	48,389	49,372	—	5.84
Consoltex (G)	128,318	129,902	- 1.22	4,635	4,260	+ 8.80	3.61	3.28	6,177	4,266	47,027	42,392	9.86	10.05
Vertipile*	118,300	104,318	+ 13.40	916	(1,840)	—	0.77	—	916	(2,948)	10,065	9,050	—	—
Textfi (H)	109,111	119,672	- 8.82	5,143	(13,316)	—	4.71	—	791	(13,316)	5,966	41	86.21	—
Fab Ind.	107,348	114,897	- 6.57	8,683	9,753	- 10.97	8.09	8.49	11,707	10,699	70,681	63,994	12.28	15.24

NOTE: The criterion for inclusion in this list is that the sales of each organization be at least \$100,000,000. In some instances figures for 1984 have been restated for various reasons.

FOOTNOTES:

- () Designates a loss.
- + 53 weeks in 1985; 52 weeks in 1984.
- * 52 weeks in 1985; 53 weeks in 1984.
- NA Not Available.
- (A) Sales of the fabrics operations of du Pont were \$4,483,000,000 in 1985 and \$4,660,000,000 in 1984.
- (B) Net income of Monsanto includes an extraordinary gain of \$30,000,000 in 1985.
- (C) Net income of J.P. Stevens includes discontinued operations in both years.
- (D) Net income of United Merch. & Mfr. includes extraordinary gains of \$217,000 in 1985 and \$1,324,000 in 1984.
- (E) Net income of Celanese Canada includes discontinued operations in 1984.
- (F) Sales of Avondale Mills include commissions.
- (G) Net income of Consoltex includes extraordinary gains of \$186,000 in 1985 and \$629,000 in 1984.
- (H) Net income of Vertipile includes an extraordinary gain of \$4,741,000 in 1985.

LEADING FIBER & TEXTILE INDUSTRY AVERAGES*

(Average)	1985	1984	% Change
Sales	\$1,151,020,000	\$1,173,873,000	- 1.95
Net Income +	21,836,000	29,183,000	- 25.18
Pre-Tax Income +	29,305,000	46,831,000	- 37.42
Shareholders' Equity #	482,603,000	492,706,000	- 2.05
% Net Income to Sales	3.51	3.50	+ 0.29
% Net Income to Shareholders' Equity	10.15	9.90	+ 2.53

* - Excluding du Pont
+ - Excluding Monsanto
- Excluding Vertipile & Textfi

1985 STATISTICS FOR 28 LEADING APPAREL MANUFACTURERS

Company†	Sales (000's)		% Chg.	Net Income (000's)		% Chg.	% Net Income to Sales		Pre-Tax Income (000's)		Shareholders' Equity (000's)		% Net Income to Shareholders' Equity	
	1985	1984		1985	1984		1985	1984	1985	1984	1985	1984	1985	1984
Burlington	\$2,802,134	\$3,168,760	-11.57	\$12,574	\$62,399	-79.85	0.45	1.97	\$ 7,505	\$96,677	\$1,150,779	\$1,193,266	1.09	5.23
INTERCO	2,510,740	2,625,746	-4.38	92,347	92,163	+0.20	3.68	3.51	178,855	144,103	1,111,293	1,064,764	8.31	8.66
VF Corp.	1,481,182	1,167,356	+26.88	139,417	124,746	+11.76	9.41	10.69	272,117	240,631	554,223	441,370	25.16	28.26
West Point-Pepperell +	1,204,158	1,333,246	-9.68	28,361	55,725	-49.11	2.36	4.18	48,061	92,725	461,436	454,868	6.15	12.25
Hartmarx	1,109,537	1,070,830	+3.61	42,660	41,735	+2.22	3.84	3.90	81,250	80,295	332,412	301,891	12.83	13.82
Fuqua (A)	862,370	782,424	+10.22	33,220	37,494	-11.40	3.85	4.79	59,091	72,041	205,198	169,532	16.19	22.12
United Merch. & Mfr. (B)	795,360	563,193	+41.22	(20,366)	12,350	—	—	2.19	(1,751)	26,795	148,157	167,462	—	7.37
Levi Strauss (C)	679,056	NA	—	(144,328)	NA	—	—	—	(107,816)	NA	64,959	NA	—	—
Oxford Ind.	558,666	577,313	-3.23	7,133	25,007	-71.48	1.28	4.33	12,593	47,485	123,109	120,518	5.79	20.75
Liz Claiborne	556,553	391,272	+42.24	60,580	41,938	+44.45	10.88	10.72	119,600	82,287	162,729	104,417	37.23	40.16
Phillips-Van Heusen (D)	550,428	590,787	-6.83	15,935	15,298	+4.16	2.90	2.59	29,387	26,487	150,676	137,567	10.58	11.12
Kellwood (E)	502,106	466,940	+7.53	19,162	15,510	+23.55	3.82	3.32	31,042	21,102	130,715	95,988	14.66	16.16
Crystal Brands	481,930	514,955	-6.41	(43,372)	12,741	—	—	2.47	(89,169)	19,072	215,475	273,642	—	4.66
Manhattan Ind.	471,549	520,688	-9.44	(11,008)	1,124	—	—	0.22	(22,108)	224	71,549	83,602	—	1.34
Farley/Northwest (F)	456,100	NA	—	11,000	NA	—	—	—	29,600	NA	81,900	NA	—	—
Palm Beach (G)	419,065	458,961	-8.69	5,279	10,028	-47.36	1.26	2.18	9,606	18,500	97,082	97,082	10.33	—
Russell Corp. +	385,433	353,025	+9.18	29,612	27,913	+6.09	7.68	7.91	51,951	47,988	219,733	195,910	13.48	14.25
Farah Mfg. (H)	322,350	250,772	+28.54	17,919	15,568	+15.10	5.56	6.21	16,361	24,418	71,711	56,641	24.99	27.49
Genesco (I)	297,372	606,264	-50.95	4,548	18,745	-75.74	1.53	3.09	7,176	18,678	97,878	93,998	4.65	19.94
Russ Togs (J)	276,815	273,524	+1.20	10,986	11,113	-1.14	3.97	4.06	25,087	22,594	93,535	89,753	11.75	12.38
Tullex	259,579	286,269	-9.32	11,911	9,720	+22.54	4.59	3.40	20,784	16,348	86,700	78,852	13.74	12.33
Wm. Carter (K)	211,453	219,230	-3.55	3,063	5,543	-44.74	1.45	2.53	5,055	6,238	73,900	72,254	4.14	7.67
Oshkosh B'Gosh	162,109	137,423	+17.96	14,046	12,853	+9.28	8.66	9.35	26,896	24,993	47,536	36,072	29.55	35.63
Bayly	158,055	131,585	+20.12	(598)	1,194	—	—	0.91	(1,335)	1,751	24,522	25,292	—	4.72
Hampton Ind.	157,013	162,855	-3.59	3,223	4,404	-26.82	2.05	2.70	5,979	8,084	40,799	37,637	7.90	11.70
Salant Corp. (L)	144,466	198,771	-27.32	(8,084)	(21,240)	—	—	—	(7,972)	(21,349)	16,972	24,993	—	—
Garan	138,161	176,907	-21.90	5,561	11,916	-53.33	4.03	6.74	10,605	22,783	65,841	72,836	8.45	16.36
Slanwood	117,291	115,077	+1.92	876	(299)	—	0.75	—	1,576	(799)	25,532	24,656	3.43	—

NOTE: The criterion for inclusion in this list is that the sales of each organization be at least \$100,000,000. In some instances figures for 1984 have been restated for various reasons.

FOOTNOTES:

- () Designates a loss.
- + 53 weeks in 1985; 52 weeks in 1984.
- * 52 weeks in 1985; 53 weeks in 1984.
- NA Not Available.
- † Warnaco, Inc. became a privately held corporation in May, 1986, there is no current information available. Work Wear Corporation was acquired by Paine Webber Capital on June 19, 1986, there is no current information available.
- (A) Net income of Fuqua includes discontinued operations in both years and extraordinary gains of \$219,000 in 1985 and \$320,000 in 1984.
- (B) Net income of United Merch. & Mfr. includes extraordinary gains of \$217,000 in 1985 and \$1,324,000 in 1984.
- (C) Levi Strauss became a private company in a leveraged buyout transaction as of Aug. 30, 1985. Fiscal 1985 is for a 5 month period.
- (D) Sales of Phillips-Van Heusen include operating revenues.
- (E) Net income of Kellwood includes discontinued operations in both years.
- (F) Farley/Northwest became a privately held Corporation as of July 31, 1985. Fiscal 1985 is for a 5 month period. Net income includes discontinued operations.
- (G) Palm Beach became a privately held corporation as of Dec. 11, 1985. Figures are for the period prior to the merger.
- (H) Net income of Farah Mfg. includes an extraordinary gain of \$7,440,000 in 1985.
- (I) Net income of Genesco includes discontinued operations in 1984 and extraordinary gains of \$172,000 in 1985 and \$3,395,000 in 1984. Fiscal 1985 is for a 6 month period.
- (J) Net income of Russ Togs includes discontinued operations in both years.
- (K) Net income of Wm. Carter includes an extraordinary gain of \$1,751,000 in 1984.
- (L) Net income of Salant Corp. includes discontinued operations in 1984.

LEADING APPAREL INDUSTRY AVERAGES

(Average)	1985	1984	% Change
Sales	\$645,394,000	\$659,391,000	-2.12
Net Income +	17,999,000	24,834,000	-27.52
Pre-Tax Income +	34,365,000	43,852,000	-21.63
Shareholders' Equity	215,899,000	212,110,000	+1.79
% Net Income to Sales	2.79	3.77	-25.99
% Net Income to Shareholders' Equity	8.34	11.71	-28.78
+ - Excluding Levi Strauss			

LEADING TEXTILE COMPANIES BY RATIO

Income before Taxes to Sales*

Fab Industries	10.91
du Pont	10.84
Collins & Aikman	10.55
Guilford Mills	8.36
Tultex	8.01
Celanese	7.88
Garan	7.68
Hartmarx	7.32
INTERCO	7.12
Phillips-Van Heusen	5.34
Unifi	5.17
Farah Mfg.	5.08
Owens-Corning	5.07
Dixie Yarns	5.05
Consoltex	4.81
Celanese Canada	4.52
West Point-Pepperell	3.99
Fieldcrest	3.87
Monsanto	3.84
Hampton Industries	3.81
Wm. Carter	2.39
Palm Beach	2.29
Oxford Industries	2.25
Springs Industries	2.04
Stanwood	1.34

% Net Income to Sales

VF Corporation	9.41
Oshkosh B'Gosh	8.66
Fab Industries	8.09
Russell Corp.	7.68
Collins & Aikman	6.03
Celanese	5.84
Guilford Mills.....	4.85
Tultex	4.59
Garan	4.03
Owens-Corning	3.97
Hartmax	3.84
du Pont	3.79
INTERCO	3.68
Consoltex	3.47
Celanese Canada	3.38
Farah Mfg.	3.25
Unifi	2.93
Phillips-Van Heusen	2.90
Bibb Company	2.81
Dixie Yarns	2.80
West Point-Pepperell	2.36
Fieldcrest	2.23
Hampton Ind.	2.05
Monsanto	1.90
Wm. Carter	1.45

% Net Income to Equity

Celanese	17.50
Fuqua	16.08
Dixie Yarns	14.92
Kellwood	14.66
Farah Mfg.	14.61
Owens-Corning	13.89
Tultex.....	13.74
Russell Corp.	13.48
Farley/Northwest	13.43
Hartmarx	12.83
Fab Industries	12.28
Chesebrough-Ponds	12.12
Russ Togs	11.75
Guilford Mills.....	11.47
Phillips-Van Heusen	10.58
Consoltex	9.46
Vertipile	9.10
Unifi	8.89
du Pont	8.83
Bibb Company	8.78
Celanese Canada	8.72
Garan	8.45
INTERCO	8.31
Hampton Industries	7.90
Fieldcrest	7.21

Sales to Inventories†

Celanese Canada	9.19
Owens-Corning	8.23
Celanese	7.83
Liz Claiborne	7.64
du Pont	7.61
VF Corp.	7.10
Fieldcrest	6.73
Burlington	7.61
Bayly	6.80
Vertipile	6.64
J.P. Stevens	6.39
Monsanto	6.15
Fab Industries	6.12
Guilford Mills	6.12
Russell Corp.	6.07
Collins & Aikman	6.05
Thomaston	6.04
West Point-Pepperell	5.82
Oxford Industries	5.01
Oshkosh B'Gosh	4.86
Farah Mfg.	4.80
Russ Togs	4.68
Kellwood	4.57
Manhattan Industries	4.53
Bibb Company	4.52

Debt to Equity

Oshkosh B'Gosh	0.21
Russell Corp.	0.21
Guilford Mills	0.22
Celanese Canada	0.23
Unifi	0.26
West Point-Pepperell	0.30
VF Corp.	0.30
Collins & Aikman	0.31
du Pont	0.32
Dixie Yarns	0.35
Avondale	0.41
Thomaston	0.41
Burlington	0.42
Wm. Carter	0.47
Celanese	0.48
J.P. Stevens	0.49
Hartmarx	0.50
Fieldcrest	0.50
Bibb Co.	0.50
Kellwood	0.53
Fuqua	0.56
Tultex	0.57
Consoltex	0.58
Monsanto	0.61
Owens-Corning	0.61

FOOTNOTES:

* - Excluding companies with discontinued operations.

† - Excluding companies where sales include other income.

ACS Industries, Inc.

71 Villanova Street
Woonsocket, Rhode Island 02895
(401) 769-4700

Officers: George B. Botvin, chairman of the board, president & treasurer; Julian Lerner, exec. v.p. & secretary; Howard R. Croll, asst. secretary.

Directors: George B. Botvin, chairman; Howard R. Croll, Sol. L. Resnick.

Plant Location(s):

Woonsocket, R.I., Houston, Texas.

Divisions:

Fiber Operations
148 Hamlet Avenue
Woonsocket, Rhode Island 02895
Polypropylene yarns, fibers and braided cord and macrame

Metal Wire Products
14208 Industry Road
Houston, Texas 77053
(713) 776-9373

71 Villanova Street
Woonsocket, Rhode Island 02895
Wire, knitted mesh and knitted mesh products

Subsidiaries:

Telcords, Inc.
P.O. Box 800
Woonsocket, Rhode Island 02895
Manufacture of coil telephone cords and related products.

ACS Restaurant, Inc.
153 Hamlet Avenue
Woonsocket, Rhode Island 02895
Operates a restaurant chain

Transfer Agent:

Fleet National Bank
Providence, Rhode Island 02903

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ACSC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 23,920,796	\$ 633,531
1984	22,047,181	150,153
1983	19,065,208	738,309
1982	15,412,982	465,179
1981*	15,743,517	1,396,371

No. of Com. Shares Earn. per Share ‡

1985	1,217,866	\$ 0.52
1984	1,217,866	0.12
1983	1,305,866	0.56
1982	1,328,066	0.35
1981*	1,342,866	1.03

* 53 weeks.

‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Wire products	\$ 13,692,000	\$ 13,318,000
Fiber products	9,024,000	8,088,000
Communication devices	964,000	619,000
Restaurant	240,000	22,000
Total	\$ 23,921,000	\$ 22,047,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 8,312,711	\$ 6.83
1984	7,679,180	6.31
1983	7,759,277	5.94
1982	7,081,146	5.33
1981	6,647,175	4.95

Income Account *

Year ended	10/26/85	10/27/84
Net sales	\$ 23,920,796	\$ 22,047,181
Cost of sales	19,119,457	19,007,541
Expenses	2,938,862	3,057,848
Other income	(51,985)	(159,374)
Interest expense	229,174	235,791
Loss on disp. of bus. line	—	27,222
Write-down of P.P. & E.	419,561	—
Loss on dispos. of P.P. & E.	129,101	—
Income (loss) before taxes	\$ 1,136,626	\$ (121,847)
Income taxes (credit)	503,095	(272,000)
Net Income	\$ 633,531	\$ 150,153

* Included in Costs and Expenses. Depreciation: \$929,341 in 1985 and \$859,413 in 1984.

Assets

As of	10/26/85	10/27/84
Cash & cert. of deposit	\$ 391,656	\$ 637,761
Accts. receiv., net	3,116,530	3,345,655
* Inventories	3,377,070	3,197,326
Refundable income taxes	203,842	201,278
Prepaid expenses & other current assets	127,951	75,895
Current Assets	\$ 7,217,049	\$ 7,457,915
* Fixed assets	5,769,769	6,710,789
Other assets	67,511	272,500
Total Assets	\$ 13,054,329	\$ 14,441,204

Liabilities

Cap. lease oblig., curr.	\$ 385,116	\$ 535,413
Accts. payable	1,644,842	2,465,045
Accruals	86,373	229,784
Accrued payroll	281,400	267,740
Income taxes	131,313	—
Curr. Liabilities	\$ 2,529,044	\$ 3,497,982
Cap. lease oblig.	1,468,619	2,868,642
Deferred inc. taxes	743,955	395,400
+ Common stock	139,284	139,284
Add. paid-in capital	3,131,044	3,131,044
Retained earnings	5,447,452	4,813,921
Treasury stock	(405,069)	(405,069)
Total Liabilities & Shareholders' Equity	\$ 13,054,329	\$ 14,441,204

* At lower of cost (FIFO) or market.

‡ Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.75	—
% Net Income to Sales	2.65	0.68
% Net Income to Equity	7.62	1.96
Sales to Inventories	7.08	6.90
Debt to Equity	0.18	0.40
Working Capital	\$4,688,005	\$3,959,933
Current Ratio	2.85	2.13
Shareholders' Equity	\$8,312,711	\$7,679,180

development; Lawrence S. Smith, sr. v.p.-sales & merchandising; Siegfried Wallner, Jr., sr. v.p.-manufacturing; E. Dale Denny, v.p. & operations controller; K. Van Joyce, Danny F. Mc Nair, v.p.'s; Charles D. Oakes, v.p.-administrative & information services; M. Neel Harrison, sr. v.p.-finance & secretary-treasurer; M.L. Ryan, sr. v.p.-administration & human resources; N. George Harris, Jr., v.p. & controller; Edward K. Baker, v.p.-planning; Joan R. Tremlett, asst. secretary.

Directors: James H. Millis, Sr., chairman; L. Hardwick Caldwell, Jr., M. Neel Harrison, Irwin Belk, Michael L. Ryan, Thomas S. Haggai, Bland W. Worley, Robert M. Bundy, Jr., Edward Silver, J. Phillips Johnston, James H. Millis, Jr.

Business Activities: Manufacturer of a full line of hosiery sold through major chain and department stores across the country.

Plant Location(s): High Point, Kernersville, Mount Airy, Hickory, Franklinton, Archdale, Drexel, Valde, N.C.

Divisions and Subsidiaries:

Silver Knit Industries, Inc.
401 South Hamilton Street
High Point, North Carolina 27260

Silver Knit Sales, Inc.
1290 Avenue of the Americas
New York, New York 10104

Adam-Millis Sales Company
226 Fifth Avenue
New York, New York 10001

Hayward Marum, Inc.
400 Manning Street
High Point, North Carolina 27260

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: ALL

Sales and Earnings

	Net Sales +	Net Income †
1985	\$ 116,292,000	\$ 5,312,000
1984	111,223,000	5,741,000
1983	82,795,000	4,811,000
1982	62,089,000	1,729,000
1981*	63,145,000	5,257,000

No. of Com. Shares Earn. per Share ‡

1985	2,278,045	\$ 2.31
1984	2,274,620	2.50
1983	2,272,570	2.10
1982	2,338,025	0.74
1981*	2,314,058	2.26

* 53 weeks.

+ Of continuing operations only.

† Including extraordinary gain of \$3,489,000 (\$1.50 per share) in 1982.

‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.34	—	—
1984	0.29	—	—
1983	0.23	—	—
1982	0.20	—	—
1981	0.20	—	—

Adams-Millis Corporation

P.O. Box 2650
225 North Elm Street
High Point, North Carolina 27260
(919) 889-7071

Officers: James H. Millis, Sr., chairman of the board & chief exec. officer; Robert M. Bundy, Jr., president & chief operating officer; James H. Millis, Jr., sr. v.p.-marketing & product

Common Stock Equity

	Total Equity	Equity Per Share
-1985	\$ 45,962,000	\$ 20.18
1984	41,393,000	18.20
1983	36,298,000	15.97
1982	32,673,000	13.97
1981	31,299,000	13.53

Adams-Millis Corporation

Income Account *		
Year ended	12/29/85	12/30/84
Net sales	\$ 116,292,000	\$ 111,223,000
Cost of sales	90,954,000	86,647,000
Expenses	14,303,000	11,645,000
Interest expense	1,737,000	2,652,000
Gain on sale	(576,000)	(491,000)
Income bef. taxes	\$ 9,874,000	\$ 10,770,000
Income taxes	4,562,000	5,029,000
Net Income	\$ 5,312,000	\$ 5,741,000

* Included in Costs and Expenses. Depreciation: \$3,887,000 in 1985 and \$3,709,000 in 1984.

Assets		
As of	12/29/85	12/30/84
Cash	\$ 1,120,000	\$ 2,288,000
Accts. & notes rec., net	15,157,000	12,674,000
*Inventories	22,948,000	22,655,000
Prepaid expenses & def. inc. taxes	286,000	62,000
Current Assets	\$ 39,511,000	\$ 37,679,000
#Fixed assets	31,914,000	33,455,000
Other assets	2,437,000	3,115,000
Total Assets	\$ 73,862,000	\$ 74,249,000

Liabilities		
Long-term debt, curr.	\$ 4,335,000	\$ 4,391,000
Accounts payable	2,509,000	3,220,000
Accrued payroll	1,576,000	1,433,000
Accrued property taxes	472,000	457,000
Accrued pensions	483,000	—
Accrued interest	1,385,000	890,000
Income taxes	120,000	653,000
Curr. Liabilities	\$ 10,880,000	\$ 11,044,000
Long-term debt	10,703,000	16,638,000
Deferred inc. taxes	6,317,000	5,174,000
+ Common stock	10,413,000	10,383,000
Retained earnings	35,549,000	31,010,000
Total Liabilities & Shareholders' Equity	\$ 73,862,000	\$ 74,249,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.49	9.68
%Net Income to Sales	4.57	5.16
%Net Income to Equity	11.56	13.87
Sales to Inventories	7.67	4.91
Debt to Equity	0.33	0.51
Working Capital	\$28,631,000	\$26,635,000
Current Ratio	3.63	3.41
Shareholders' Equity	\$45,962,000	\$41,393,000

Aileen, Inc.

331 East 38th Street
New York, New York 10016
(212) 679-7010

Officers: Abe Oberlin, chairman of the board & president; William Lillard, Francis Holden & Stephen S. Landau, v.p.'s; Harold J. Lash, v.p. & treasurer; Alvin M. Stein, secretary.

Directors: Abe Oberlin, Bernard B. Jacobs, Lawrence I. Lachman, Wilbur L. Ross, Jr., Gerald Schoenfeld, Isidor B. Seidler.

Business Activities: Engaged in the production and marketing of women's apparel, including skirts, shorts, slacks, blouses, sweaters and jackets.

Trademarks and/or Brand Names: Aileen, The Red-i, Sport-i, Aileen II.

Plant Location(s): Culpeper, Edinburg, Flint Hill, New Market, South Hill, Victoria, & Woodstock, Virginia.

Divisions:

Aileen Division
1411 Broadway
New York, New York 10018
Manufactures moderately priced active sportswear for the young woman.

The Aileen II Division
1411 Broadway
New York, New York 10018
Manufactures large-sized women's clothing.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AEE

Sales and Earnings		
	Net Sales	Net Income
1985	\$ 53,259,000	\$ 112,000
1984*	54,205,000	(1,951,000)
1983	49,798,000	(193,000)
1982	52,852,000	(4,566,000)
1981	53,497,000	(2,597,000)
	No. of Com. Shares	Earn. per Share
1985	5,075,888	\$ —
1984*	5,075,534	—
1983	5,067,826	—
1982	5,067,488	—
1981	5,067,488	—

(Loss)

* 53 weeks.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 31,511,000	\$ 6.21
1984	31,399,000	6.19
1983	33,343,000	6.57
1982	33,520,000	6.61
1981	38,086,000	7.52

Income Account *

Year ended	11/2/85	11/3/84
Net sales	\$ 53,259,000	\$ 54,205,000
Other income	75,000	764,000
Total Income	\$ 53,334,000	\$ 54,969,000
Cost of sales	38,703,000	43,455,000
Expenses	13,873,000	13,019,000
Interest expense	246,000	296,000
Prov. for idle plant costs	400,000	150,000
Net Income (Loss)	\$ 112,000	\$ (1,951,000)

* Included in Costs and Expenses. Depreciation and Amortization: \$2,270,000 in 1985 and \$2,527,000 in 1984.

Assets		
As of	11/2/85	11/3/84
Cash	\$ 985,000	\$ 747,000
Accts. receiv., net	11,421,000	9,487,000
*Inventories	9,046,000	12,806,000
Other assets	280,000	415,000
Current Assets	\$ 21,732,000	\$ 23,455,000
#Fixed assets	13,499,000	15,488,000
Fixed assets held for sale	6,221,000	6,258,000
Other assets	98,000	56,000
Total Assets	\$ 41,550,000	\$ 45,257,000

Liabilities

Bank loan	\$ 2,101,000	\$ 4,071,000
Long-term debt, curr.	769,000	769,000
Accts. payable	1,926,000	2,724,000
Accruals	2,935,000	2,217,000
Loan payable	—	1,000,000
Curr. Liabilities	\$ 7,731,000	\$ 10,781,000
Long-term debt	2,308,000	3,077,000
+ Common stock	5,076,000	5,076,000
Add. paid-in capital	11,399,000	11,399,000
Retained earnings	15,036,000	14,924,000
Total Liabilities & Shareholders' Equity	\$ 41,550,000	\$ 45,257,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Net Income to Sales	0.21	—
%Net Income to Equity	0.36	—
Sales to Inventories	5.89	4.23
Debt to Equity	0.10	0.12
Working Capital	\$14,001,000	\$12,674,000
Current Ratio	2.81	2.18
Shareholders' Equity	\$31,511,000	\$31,399,000

Alba-Waldensian, Inc.

P.O. Box 100
201 St. Germain S.W.
Valdese, North Carolina 28690
(704) 874-2191

Officers: William D. Schubert, president and chairman of the board; J. Edward Garrou, vice president-finance & secretary; Robert A. Nelson, Ronald W. Scott, v.p.'s; Van C. Irwin, treasurer & asst. secretary.

Directors: Louis W. Garrou, J.A. Grisette, W. Harold Mitchell, C. Alan Forbes, J. Edward Garrou, Andrew M. Kistler II, William D. Schubert, Howard O. Walker, Clyde Wm. Engle, Joseph Minio, Lee N. Mortenson.

Business Activities: Manufactures women's hosiery products, including seamless hosiery, panty hose, support hosiery products and novelty hosiery; men's hosiery products, including work, dress, casual, support and athletic socks; women's intimate apparel products include briefs and bikinis and related cut and sewn products including pant liners, health care products include both cotton and nylon anti-embolism hosiery products as well as other specialty products for medical supply distribution; textured yarns and covered spandex, and knitted fabrics.

Trademarks and/or Brand Names: Roman Stripe, Alba, Swedish Three Crown, XX Span, Sani Terry, Cotton Aire, Antron, Lycra, BBW, Care Bear, Special Edition, Ultimates, Electric Sok.

Plant Locations: Valdese and Graham, North Carolina.

Divisions:

Consumer Products Division
Products include women's intimate apparel, women's sheer hosiery, dance/exercise apparel, men's underwear, socks.

Yarn and Narrow Fabrics Division
Produces and develops yarn for company's use and sale.

Health Care Products Division
Manufactures products for use in hospitals, nursing homes, doctors' offices, and homes.

Waldensian Sock Division
Men's socks, high-fashion women's hosiery products, casual socks for large women.

Subsidiaries:

Alba-Research Laboratories
Engaged in the production and sale of knitted health care products.

Pilot Research Corporation

Engaged in research and equipment development and holds a number of patents for machinery and products here and abroad.

W. G. Whitney Corp.
Glenview, Illinois

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
Winston-Salem, North Carolina

Stock Exchange(s): American

Ticker Symbol: AWS

Sales and Earnings			
	Net Sales +	Net Income	
1985	\$ 41,524,479	\$	(1,833,126)
1984	47,534,689		639,734
1983	46,678,000		3,030,320
1982	44,429,000		67,329
1981	40,196,000		577,680
	No. of Com. Shares #	Earnings Per Share #	
1985	1,860,784	\$	—
1984	1,857,332		0.34
1983	1,678,284		1.81
1982	1,345,580		0.05
1981	1,344,635		0.43

(Loss)
+ Of continuing operations only.

Based on the weighted average number of shares outstanding.

Revenue By Line of Business

	1985	1984	1983	1982
Women's hosiery products	23.0%	27.2%	16.2%	14.7%
Women's intimate products	39.4	28.3	33.3	29.9
Men's hosiery products	12.1	11.7	11.7	11.2
Knit fabric products	—	—	—	7.3
Women's dance & exercise prods.	9.9	16.3	23.1	20.6
Health care prods.	14.9	13.0	10.6	9.7

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	0.15	—	—
1983	0.15	—	—
1982	0.10	—	—
1981	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	\$ 22,297,880	\$ 11.98
1984	24,123,131	12.99
1983	23,748,019	14.15
1982	13,238,293	9.84
1981	13,305,522	9.90

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 41,524,479	\$ 47,534,689
Cost of sales	37,209,864	41,278,408
Expenses	6,430,123	5,485,455
Oper. profit (loss)	\$ (2,115,508)	\$ 770,826
Other income	(88,778)	(133,903)
Interest expense	448,379	389,101
Interest income	(89,102)	(243,687)
Gain on sale	(61,314)	(6,910)
Income (loss) bef. taxes	\$ (2,324,693)	\$ 766,224
Income taxes (credit)	(491,567)	126,491
Net Income (Loss)	\$ (1,833,126)	\$ 639,734

* Included in Costs and Expenses, Depreciation and Amortization: \$815,144 in 1985 and \$755,616 in 1984.

Assets			
As of Dec. 31	1985	1984	
Cash	\$ 996,531	\$ 667,695	
Notes receiv.	4,765	4,653	
Accts. receiv., net	7,274,946	7,715,869	
*Inventories	11,405,737	10,459,428	
Prepaid expenses	608,278	497,813	
Current Assets	\$ 20,290,257	\$ 19,345,458	
#Fixed assets	9,754,656	7,820,216	
Other assets	2,719,012	5,135,913	
Total Assets	\$ 32,763,925	\$ 32,301,587	
Liabilities			
Notes payable	\$ 2,500,000	\$ —	
Notes payable—other	72,657	96,659	
Revenue bond, curr.	596,652	579,687	
Accts. payable	1,847,954	1,099,792	
Accruals	88,258	45,306	
Accrued payroll	437,506	354,009	
Misc. taxes	315,601	211,883	
Income taxes payable	686	2,110	
Curr. Liabilities	\$ 5,859,318	\$ 2,389,446	
Other liabilities	3,015,477	3,583,595	
Deferred compensation	561,454	461,115	
Deferred inc. taxes	1,029,800	1,253,000	
Deferred income	—	491,300	
+ Common stock	4,713,325	4,713,325	
Add. paid-in capital	9,178,096	9,203,900	
Retained earnings	8,715,662	10,548,788	
Treasury stock	(309,203)	(342,882)	
Total Liabilities & Shareholders' Equity	\$ 32,763,925	\$ 32,301,587	

* At lower of cost or market.

Less accumulated depreciation.
+ \$2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.61
%Net Income to Sales	—	1.35
%Net Income to Equity	—	2.65
Sales to Inventories	3.64	4.54
Working Capital	\$14,430,943	\$16,956,012
Current Ratio	3.46	8.10
Shareholders' Equity	\$22,297,880	\$24,123,131

Allied-Signal Inc.

(formerly Allied Corporation)

Columbia Road and Park Avenue
P.O. Box 4000R
Morristown, New Jersey 07960
(201) 455-2000

Officers: Edward L. Hennessy, Jr., chairman of the board & chief executive officer; Forrest N. Shumway, vice chairman; Michael D. Dingman, president; Daniel W. Derbes, exec. v.p.-int'l.; Paul M. Montrone, exec. v.p.-finance & administration; John A. Teske, exec. v.p.-Garrett; Nicholas A. Cameron, sr. v.p.-planning & development; Marc I. Stern, sr. v.p.-administration; Donald R. Kayser, sr. v.p. & chief financial officer; L. James Colby, Jr., sr. v.p.-technology; Brian D. Forrow, sr. v.p., secretary & general counsel; Edwin M. Halkyard, sr. v.p.-human resources; David G. Powell, sr. v.p.-public affairs; Alan Belzer, William C. Purple, J. Mason Reynolds, Gerard L. Seelig, exec. v.p.'s & sector presidents; John W. Barter, v.p. & controller; Edward W. Callahan, v.p.-health, safety & environmental science; William F. Loftus, v.p. & treasurer; Ricardo R. Alvarado, v.p.-gov't relations; Robert J. Barone, v.p.-adm. services; G. Peter D'Aloia, v.p.-taxes.

Directors: Jewel Plummer Cobb, Charles W. Nichols, Jr., Edward L. Hennessy, Jr., Donald W. Davis, William R. Haselton, Robert D. Kilpatrick, Theodore C. Rogers, Stanley P. Porter, Richard R. Shinn, Thomas P. Stafford, Edward J. Boling, Ralph P. Davidson, Michael D. Dingman, Carla Anderson Hills, Richard A. Lenon, Forrest N. Shumway, Arthur Temple, Rawleigh Warner, Jr., Harry H. Wetzel.

Business Activities: Engaged in the production of chemicals, airborne radar systems; automatic flight control systems; engine and flight instruments; motion sensing and air data systems; navigation and identification equipment; electric power generating systems; ignition and fuel control systems; aircraft wheels and brakes; electromechanical and hydraulic components; industrial control systems and industrial ignition components and test and checkout equipment, communications equipment; airport landing systems; guidance and control systems; gyroscopes; acoustic submarine detection equipment; precision machine components and mechanical assemblies for missiles; space pointing and control systems; meteorological data systems; chemical and biological containment detection instruments; and field engineering, management and support services, disc and drum brakes, power brake boosters and master cylinders; friction materials; electric motors, wire products and ignition components; spark plugs; steering systems; safety restraints; die castings and metal stampings; electronic engine controls; and engine cooling fans and air cleaner assemblies; air brake and hydraulic brake actuation components; air and hydraulic drum and disc brakes; slack adjusters; air dryers; fan clutches; and friction materials, replacement parts for all previous automotive related items and air, oil and fuel filters, nylon, caprolactam, filament nylon yarns, staple nylon yarns, industrial nylon and polyester yarns, apparel fibers, fluorocarbons, hydrofluoric acid and sulfuric acid, sulfur hexafluoride, chromium chemicals, specialty oximes, many other sulfur and fluorine-based products, uranium hexafluoride, high-density polyethylene, low-molecular weight polyethylene, engineered plastics, packaging plastics fluoropolymers, aluminum sulfate, coal tar pitch, creosote, semiconductor high purity process chemicals, electrical and electronic connectors, laboratory furniture, analytical and measuring instruments, diagnostic supplies, refractories material, starting-lighting-ignition batteries, industrial batteries and standby power systems, hermetically sealed integrated circuits devices, phototypesetting equipment, electronic information systems, crude oil, natural gasoline, condensate natural and residue gas, liquified natural gas, liquified petroleum gases, and ethylene.

Fiber Plant Location(s): Moncure, N.C.; Columbia, S.C.; Hopewell, Va.; Philadelphia, Pa.

Textile Trademarks and/or Brand Names: Caprolan, A.C.E., Anso, Anso IV, Aclar, Anso X, Capron, Capran.

Organizational Sectors:

Oil and Gas
Automotive
Aerospace/Electronics
Engineered materials

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Amsterdam, Paris, Basle, Geneva, Zurich

Ticker Symbol: ALD

Sales and Earnings			
	Net Sales + (000's)	Net Income (000's)	
1985	\$ 9,115,000	\$	(279,000)
1984	9,462,000		488,000
1983	8,682,000		98,000
1982	4,902,000		272,000
1981	5,400,000		348,000
	No. of Com. Shares †	Earnings Per Share #	
1985	175,194,456	\$	—
1984	83,029,334		5.03
1983	80,188,947		0.09
1982	52,874,935		4.14
1981	50,615,536		6.11

(Loss)

+ Of continuing operations only.

† Adjusted to reflect stock split.

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Allied-Signal Inc.

Revenues By Line of Business (000's)

	1985	1984
Automotive	\$ 2,430,000	\$ 2,529,000
Aerospace	3,573,000	2,803,000
Engineered materials	2,055,000	2,034,000
Unallocated	1,057,000	2,096,000
Total	\$ 9,115,000	\$ 9,462,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$1.80	—	—
1984	1.75	—	3-for-2
1983	1.60	—	—
1982	1.60	—	—
1981	1.57	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 5,833,000 [‡]	\$ 33.29
1984	2,747,000 [‡]	33.09
1983	2,455,000 [‡]	30.61
1982	2,013,000	38.07
1981	1,900,000	37.53

[‡] After allowing for preferred stock Series F & G at stated values.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 9,115,000	\$ 9,462,000
Cost of sales	7,080,000	7,121,000
Expenses	1,140,000	1,000,000
Oper. profit	\$ 895,000	\$ 1,341,000
Other income	(54,000)	(41,000)
Non-recurring items	517,000	10,000
Interest expense	182,000	185,000
Income before taxes	\$ 250,000	\$ 1,187,000
Income taxes	502,000	676,000
Eq. in loss (inc.) of affil. cos.	(39,000)	1,000
Loss in The Henley Group	66,000	23,000
Inc.(loss)-cont. oper.	\$ (279,000)	\$ 487,000
Inc. discount. oper.	—	1,000
Net Income (Loss)	\$ (279,000)	\$ 488,000

* Included in Costs and Expenses, Depreciation; Depletion and Amortization: \$362,000,000 in 1985 and \$412,000,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash short-term secur.	\$ 1,125,000	\$ 136,000
Accts. & notes receiv., net	1,407,000	1,020,000
*Inventories	2,125,000	1,172,000
Other curr. assets	303,000	227,000
Current Assets	\$ 4,960,000	\$ 2,555,000
Invest. in The Henley Group	2,620,000	950,000
*Fixed assets	3,153,000	3,350,000
Intangibles	1,416,000	533,000
Other assets	1,122,000	557,000
Total Assets	\$ 13,271,000	\$ 7,945,000

Liabilities (000's)

Accts. payable	\$ 1,506,000	\$ 1,423,000
Short-term borrowings	444,000	195,000
Long-term debt, curr.	43,000	130,000
Accruals	1,025,000	526,000
Curr. Liabilities	\$ 3,018,000	\$ 2,274,000
Long-term debt	2,086,000	1,530,000
Deferred inc. taxes	377,000	126,000
Other liab.	1,335,000	636,000
+ Redeem. pref. stock	325,000	336,000
+ Preferred stock	297,000	296,000
+ + Common stock	176,000	83,000
Add. paid-in capital	4,830,000	1,269,000
Retained earnings	938,000	1,535,000
Treasury stock	(19,000)	(2,000)
Currency trans. adj.	(98,000)	(138,000)
Total Liabilities & Shareholders' Equity	\$ 13,271,000	\$ 7,945,000

* At lower of cost (LIFO, FIFO or average) or market.
Less accumulated depreciation, depletion and amortization.
+ No par value.
+ + \$1 par value.

Statistical Summary

%Net Income to Equity	—	16.04
Debt to Equity	0.42	0.61
Working Capital	\$1,942,000,000	\$ 281,000,000
Current Ratio	1.64	1.12
Shareholders' Equity	\$6,130,000,000	\$3,043,000,000

Amoco Corporation

(Formerly Standard Oil Company (Indiana))

200 East Randolph Drive
Chicago, Illinois 60601
(312) 856-6111

Officers: Richard M. Morrow, chairman of the board; H. Laurance Fuller, president; James W. Cozad, vice-chairman; Walter R. Peirson, Leland C. Adams, Richard H. Leet, exec. v.p.'s; Joe P. Hammond, v.p.-public & government affairs; Edward A. Mason, v.p.-research; L. Bates Lea, v.p. & general counsel; Robert K. Boknecht, v.p.-employee relations; Rudy A. Johnson, v.p.-government affairs; Rodger W. Murtaugh, v.p.-planning & economics; Frederick S. Addy, v.p.-financial operations; John J. Gobel, v.p. & general tax counsel; James E. Allard, v.p. & treasurer; Ronald E. Callahan, secretary; William R. Hutchinson, v.p. & controller; William G. Lowrie, v.p.-information services.

Directors: Richard M. Morrow*, chairman; Arthur E. Rasmussen, Robert H. Malott, Richard D. Wood, James W. Cozad*, Walter R. Peirson*, Leland C. Adams*, James C. Fletcher, Karl D. Bays, Richard J. Ferris, Frederick G. Jaicks, H. Laurance Fuller*, John H. Bryan, Jr., Walter E. Massey, Richard H. Leet*, Henry O. Boswell, Ruth S. Block.

* Member of the Executive Committee.

Business Activities: Engaged worldwide in crude oil and natural gas exploration, production, purchasing, and transportation and in manufacturing, transporting, and marketing petroleum products, including chemicals, polymers, plastics and fertilizers. It has interests in minerals and real estate. Also produces synthetic fabrics, including polypropylene fabrics used for carpet backing, protective coverings and soil stabilization; and continuous filament carpet yarn.

Plant Location(s): Roanoke & Andalusia, Alabama; Atlanta, Bainbridge, Hazlehurst & Nashville, Georgia; Afton, Virginia; Lowell, North Carolina; Brantford, Cornwall & Hawkesbury, Canada.

Textile Trademarks and/or Brand Names: Marquesa Lana, PP Patchogue Plymouth, Poly Bac, Propex, Poly Needle Bac, Poly Double Bac, Patlon, Poly Bac II, Action Bac, Amoco, Propex III, Synera, AmoWeve.

Textile Subsidiary:

Amoco Fabrics Company
550 Interstate North
Atlanta, Georgia 30339

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
P.O. Box 469 Plaza
Washington Bridge Station
New York, New York 10033

The First National Bank of Chicago
Stock Transfer Dept., 0122
One First National Plaza
Chicago, Illinois 60670

The National Trust Company
41 King Street West
Toronto, Ontario, M5H 3W7 Canada

Stock Exchange(s): New York, Midwest

Ticker Symbol: SN

Sales and Earnings

	Revenues (000's)	Net Income (000's)
1985	\$ 28,873,000	\$ 1,953,000
1984	29,008,000	2,183,000
1983	29,494,000	1,868,000
1982	29,783,000	1,826,000
1981	31,729,000	1,922,000
	No. of Com. Shares	Earn. per Share #
1985	258,727,701	\$ 7.42
1984	271,428,940	7.70
1983	292,206,000	6.39
1982	292,184,202	6.25
1981	295,272,498	6.56

Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Petroleum industry:		
Explor. & prod.	\$ 4,154,000	\$ 4,883,000
Refining, Mktg. & trans.	21,244,000	20,342,000
Chemical industry	2,905,000	2,834,000
Other industries	338,000	685,000
Unallocated	232,000	264,000
Total	\$ 28,873,000	\$ 29,008,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$3.30	—	—
1984	3.00	—	—
1983	2.80	—	—
1982	2.80	—	—
1981	2.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	\$ 11,588,000	\$ 44.79
1984	12,524,000	46.14
1983	12,440,000	42.57
1982	11,426,000	39.11
1981	10,665,000	36.12

Income Account (000's)

Year ended Dec. 31	1985	1984
Net sales & other revenues	\$ 26,922,000	\$ 26,949,000
Consumer excise taxes	1,615,000	1,555,000
Other income	336,000	504,000
Total Income	\$ 28,873,000	\$ 29,008,000
Cost of sales	12,569,000	12,246,000

Andover Togs, Inc.

Expenses	6,554,000	6,468,000
Taxes	3,448,000	3,825,000
Depreciation, depletion & amortization	2,059,000	2,090,000
Interest expense	432,000	446,000
Income bef. taxes	\$ 3,811,000	\$ 3,933,000
Income taxes	1,858,000	1,750,000
Net Income	\$ 1,953,000	\$ 2,183,000

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 157,000	\$ 213,000
Marketable securities	834,000	1,206,000
Accts. & notes receiv., net	3,226,000	3,234,000
*Inventories	940,000	1,079,000
Prepaid expenses	385,000	466,000
Current Assets	\$ 5,542,000	\$ 6,198,000
Investments & other assets	1,234,000	1,222,000
#Fixed assets	18,422,000	18,314,000
Total Assets	\$ 25,198,000	\$ 25,734,000

Liabilities (000's)

Long-term debt & cap. lease oblig., curr.	\$ 297,000	\$ 234,000
Short-term borrowings	437,000	188,000
Accts. payable	3,456,000	3,223,000
Accruals	796,000	969,000
Income & other taxes	1,295,000	1,266,000
Curr. Liabilities	\$ 6,281,000	\$ 5,880,000
Long-term debt	2,424,000	2,565,000
Long-term obligations	342,000	401,000
Cap. lease oblig.	356,000	385,000
Deferred credit	4,202,000	3,963,000
Minority interest	5,000	16,000
+ Common stock	2,234,000	2,238,000
Retained earnings	12,142,000	12,273,000
For. curr. trans. adj.	(201,000)	(206,000)
Treasury stock	(2,587,000)	(1,781,000)
Total Liabilities & Shareholders' Equity	\$ 25,198,000	\$ 25,734,000

* At lower of cost or market. Crude oil, petroleum products, chemical products, U.S. inventories of mineral ores and concentrates at LIFO. All others at FIFO or average.
Less accumulated depreciation, depletion and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales & Revenues	14.16	14.59
%Net Income to Sales & Revenues	7.25	8.10
%Net Income to Equity	16.85	17.43
Debt to Equity	0.33	0.30
Working Capital	—	\$ 318,000,000
Current Ratio	—	1.05
Shareholders' Equity	\$11,588,000,000	\$12,524,000,000

Anderson Industries, Inc.

(has completed a tender offer in the process of becoming a privately owned company)

13601 Preston Road
Suite 307
Carillon Plaza West
Dallas, Texas 75240
(214) 233-1805

Officers: Thomas L. Anderson, chairman & president; Charles W. Anderson, v.p. & assistant treasurer; John T. Eubanks, v.p. & treasurer; Shirley Calvert, secretary.

Directors: Thomas L. Anderson, chairman; Brent D. Baird, Gene H. Bishop, A.D. Martin, Jr., Wilson A. Tayloe.

Business Activities: Textile/Apparel operations are conducted by the Fab-Knit Manufacturing Company subsidiary which manufactures athletic clothing such as award jackets and football jerseys. Other activities include the manufacture of metal buildings, boat trailers and steel products.

Textile/Apparel Subsidiary:

Fab-Knit Manufacturing Company
1415 North Fourth Street
Waco, Texas 76707

Transfer Agent(s):

MBank Dallas
P.O. Box 225415
Dallas, Texas 75265

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 27,197,000	\$ (2,012,000)
1984	24,873,000	(821,000)
1983	22,723,000	(1,955,000)
1982	26,029,000	1,692,000
1981	23,121,000	2,493,000

No. of Com. Shares Earn. per Share

1985	2,088,780	\$ —
1984	2,088,780	—
1983	2,088,780	—
1982	2,088,830	0.76
1981	2,239,850	1.12

(Loss)

+ Of continuing operations only.

Based on the weighted average number of shares outstanding during each year.

Revenues By Line of Business (000's)

	1985	1984
Metal buildings	\$ 19,953	\$ 17,980
Athletic soft goods	5,093	4,734
Other	2,151	2,159
Total	\$ 27,197	\$ 24,873

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	0.44	—	—
1983	0.44	—	—
1982	0.42	—	—
1981	0.36	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 8,571,796	\$ 4.10
1984	10,583,360	5.07
1983	12,323,000	5.90
1982	15,197,000	7.28
1981	15,116,000	6.75

Income Account *

Year ended Apr. 30	1985	1984
Net sales	\$ 27,197,397	\$ 24,873,436
Cost of sales	19,619,889	17,834,075
Expenses	4,631,595	4,228,786
Interest expense	10,302	61,404
Income before taxes	\$ 2,935,611	\$ 2,749,171
Income taxes	1,319,000	1,314,500
Inc. - cont. oper.	\$ 1,616,611	\$ 1,434,671
Loss - discount. oper.	(3,628,175)	(2,255,612)
Net Loss	\$ (2,011,564)	\$ (820,941)

* Included in Costs and Expenses, Depreciation and Amortization: \$747,982 in 1985 and \$688,831 in 1984.

Assets

As at Apr. 30	1985	1984
Cash	\$ 2,880,966	\$ 1,596,214
Accts. receiv., net	2,814,004	2,599,935
*Inventories	3,502,362	3,398,859
Prepaid expenses	131,591	91,856
Assets of discount. oper.	2,519,903	6,511,818
Current Assets	\$ 11,848,826	\$ 14,198,682
#Fixed assets	3,228,392	3,567,371
Fixed assets of discount. oper.	4,988,356	7,794,459
Other assets	496,846	424,967
Total Assets	\$ 20,562,420	\$ 25,985,479

Liabilities

Long-term debt, curr.	\$ 16,000	\$ 113,726
Accts. payable	1,143,897	1,107,025
Income taxes	1,603,929	729,965
Accrued payroll	353,135	283,854
Other taxes	63,108	50,745
Other curr. liab.	202,153	131,002
Liab. of discount. oper.	4,138,813	6,348,827
Curr. Liabilities	\$ 7,521,035	\$ 8,765,144
Long-term debt	30,667	46,667
Def. inc. taxes	—	1,499,871
Long-term debt - discount. oper.	4,200,000	4,922,771
+ Common stock	2,338,159	2,338,159
Add. paid-in capital	2,562,551	2,562,551
Retained earnings	4,639,804	6,651,368
Treasury stock	(968,718)	(968,718)
Total Liabilities & Shareholders' Equity	\$ 20,562,420	\$ 25,985,479

* At lower of cost (FIFO) or market. Raw materials at Mesco priced at LIFO cost.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

Sales to Inventories	7.77	7.32
Debt to Equity	0.50	0.48
Working Capital	\$4,327,791	\$ 7,433,538
Current Ratio	1.58	2.10
Shareholders' Equity	\$8,571,796	\$10,583,360

Andover Togs, Inc.

One Penn Plaza
New York, New York 10119
(212) 244-0700

Officers: Sidney B. Cohen, chairman of the board; William L. Cohen, president, treasurer & chief exec.; financial & acct. officer; Steven Fenyes, v.p.-administration; Stanley Schmolzer, v.p.-mfg.; Donald D. Shack, secretary.

Directors: Sidney B. Cohen, chairman; William L. Cohen, Peter A. Cohen, Mel Schnell, Donald D. Shack, Irwin M. Taylor.

Business Activities: Designs, manufactures, imports, and markets a full line of non-branded, popular-priced children's active sportswear. The Company also manufactures a limited line of women's active sportswear.

Plant Location(s): Pisgah, Stevenson, Collinsville, Skyline, Alabama; Canton, Georgia.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATOG (NASDAQ)

Anderson Industries, Inc.

Sales and Earnings

	Net Sales	Net Income
1985	\$ 42,805,000	\$ 1,925,000
1984	39,652,000	1,492,000
1983	29,662,000	1,146,000
1982	26,819,000	739,000
1981	21,449,000	186,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,500,000	\$ 0.77
1984	2,500,000	0.60
1983	2,500,000	0.46
1982	2,500,000	0.29
1981	2,500,000	0.07

‡ Pro forma.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 4,786,000	\$ 1.91
1984	4,672,000	1.87
1983	4,602,000	1.84
1982	4,641,000	1.86
1981	3,903,000	1.56

Income Account *

Year ended Nov. 30	1985	1984
Net sales	\$ 42,804,600	\$ 39,651,800
Cost of sales	31,303,500	29,977,600
Expenses	6,798,300	5,944,600
Interest expense	948,700	935,400
Income before pro forma taxes	\$ 3,754,100	\$ 2,794,200
Pro forma income taxes	1,829,000	1,302,000
Net Income	\$ 1,925,100	\$ 1,492,200

* Included in Costs and Expenses, Depreciation and Amortization: \$437,600 in 1985 and \$331,800 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	\$ 122,600	\$ 80,000
Accts. receiv., net	5,468,300	5,066,200
*Inventories	10,465,700	10,409,000
Other curr. assets	387,700	327,400
Current Assets	\$ 16,444,300	\$ 15,882,600
#Fixed assets	3,876,000	2,067,600
Other assets	560,200	60,900
Total Assets	\$ 20,880,500	\$ 18,011,100

Liabilities

Notes payable		
Long-term debt & cap. lease oblig., curr.	\$ 4,200,000	\$ 4,325,000
Accts. payable	468,600	288,800
Accruals	3,953,900	3,624,200
Income taxes	1,583,000	1,191,600
S Corporation distr. pay.	86,100	59,800
	2,091,300	1,940,800
Curr. Liabilities	\$ 12,382,900	\$ 11,430,200
Long-term debt & cap. lease oblig.	3,445,800	1,757,100
Deferred inc. taxes	265,500	151,500
+ Common stock	250,000	250,000
Add. paid-in capital	399,200	399,200
Retained earnings	4,137,100	4,023,100
Total Liabilities & Shareholders' Equity	\$ 20,880,500	\$ 18,011,100

* At lower of cost (average) or market.

Less accumulated depreciation and amortization.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.77	7.05
%Net Income to Sales	4.50	3.76

%Net Income to Equity	40.22	31.94
Sales to Inventories	4.09	3.81
Debt to Equity	1.70	1.36
Working Capital	\$4,061,400	\$4,452,400
Current Ratio	1.33	1.39
Shareholders' Equity	\$4,786,300	\$4,672,300

Angelica Corporation

10176 Corporate Square Drive
Suite 100
St. Louis, Missouri 63132
(314) 991-4150

Officers: Leslie F. Loewe, chairman of the board & chief exec. officer; Earl F. Neely, president & chief operating officer; Allyn J. Aach, Stephen L. Abelov, Donald C. Wickard, v.p.'s; James E. Steffoff, exec. v.p., pres.-Rental Group; Lawrence J. Young, exec. v.p.-Uniform Group; Robert M. Baker, treasurer; Linden Mann, controller, asst. secretary; Charles D. Malloy, controller; John S. Aleman, v.p.-human resources; Jill Witter, secretary, house counsel.

Directors: Leslie F. Loewe, chairman; Willard L. Levy, Edwin S. Jones, John D. Levy, Lee M. Liberman, Richard A. Meyer, Earl F. Neely, Elliot H. Stein, H. Edwin Trusheim, Robert C. West, William P. Stintz.

Business Activities: Manufactures and markets uniforms and career apparel for institutions and businesses; operates a national chain of retail uniform and shoe stores; provides rental and laundry services of textiles and garments primarily to health care institutions.

Apparel Trademarks and/or Brand Names: Apples for Life, Just Right.

Divisions and Subsidiaries:

Manufacturing and Marketing

Angelica Uniform Group Inc.
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111

Designs, manufactures, warehouses and markets a line of washable and tailored non-washable vocational attire.

Angelica-Whitewear Ltd.
5650 Iberville Street
Montreal, Quebec, H2G 3E4 Canada
(514) 271-4671

Designs, manufactures, and markets vocational apparel.

Angelica Uniform of Canada, Ltd.
35 Suntract Road
Toronto, Ontario M9N 2V8
Canada
(416) 247-7482

Designs, manufactures and markets vocational apparel.

Retail Sales

Life Uniform & Shoe Shops
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111

Operates a nationwide chain of specialty stores selling a full line of uniforms, shoes and related accessories to individuals at retail.

Rental Services

Angelica Healthcare Services Group, Inc.
10176 Corporate Square Drive
Suite 150
St. Louis, Missouri 63132
(314) 991-2931

Angelica Healthcare Services Group, Inc.
Western Divisional Office
600 North Euclid Avenue
Anaheim, California 92801
(714) 535-2242

Provides delivery and cleaning on a rental basis of surgical specialty textiles, garments and hospital linens.

Angelica Healthcare Services Group, Inc.
Eastern Divisional Office
317 Linden Street
Scranton, Pennsylvania 18503
(717) 346-8761

Provides rental and laundry services of hospital linens and uniforms to hospitals; also provides linen usage cost control system.

Transfer Agent(s):

Center Trust Company
St. Louis, Missouri

Stock Exchange(s):

New York

Ticker Symbol:

AGL

Sales and Earnings

	Net Sales +	Net Income
1986	\$ 269,099,000	\$ 17,159,000
1985	246,404,000	16,328,000
1984	220,318,000	15,154,000
1983	208,204,150	13,818,722
1982	201,402,308	12,012,189

	No. of Com. Shares ‡	Earn. per Share ‡
1986	9,291,832	\$ 1.84
1985	9,268,413	1.76
1984	9,260,730	1.63
1983	9,245,981	1.49
1982	9,245,981	1.30

+ Includes rental service revenues.

‡ Adjusted to reflect stock split.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1986	1985
Manufacturing & marketing	\$ 125,429,000	\$ 112,309,000
Rental serv.	127,109,000	119,366,000
Retail sales	26,231,000	22,022,000
Intersegment	(9,670,000)	(7,293,000)
Total	\$ 269,099,000	\$ 246,404,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	\$0.59	—	—
1985	0.52	—	—
1984	0.48	—	—
1983	0.40	—	3-for-2
1982	0.34	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1986	\$ 116,623,000	\$ 12.56
1985	104,990,000	11.34
1984	93,713,000	10.13
1983	82,909,351	8.97
1982	72,967,275	7.90

‡ After allowing for preferred stock and Class A preferred stock at liquidation value of \$100 per share.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	\$ 141,990,000	\$ 127,038,000
Service revenues	127,109,000	119,366,000
Total Revenues	\$ 269,099,000	\$ 246,404,000
Cost of sales	94,356,000	83,161,000
Cost of services	93,877,000	89,465,000

Athlone Industries, Inc.

Expenses	48,087,000	44,029,000
Other expense (income)	404,000	(1,059,000)
Income before taxes	\$ 32,375,000	\$ 30,808,000
Income taxes	15,216,000	14,480,000
Net Income	\$ 17,159,000	\$ 16,328,000

* Included in Costs and Expenses, Depreciation: \$5,901,000 in 1986 and \$5,386,000 in 1985.

As of	1986	1985
Cash	\$ 13,989,000	\$ 11,980,000
Receivables	40,366,000	37,501,000
*Inventories	47,414,000	44,805,000
Prepaid expenses	3,798,000	1,679,000
Linens in service	19,916,000	16,594,000
Current Assets	\$ 125,483,000	\$ 112,559,000
*Fixed assets	48,797,000	40,659,000
Other assets	9,037,000	8,751,000
Total Assets	\$ 183,317,000	\$ 161,969,000

Liabilities	1986	1985
Long-term debt & cap. lease oblig., curr.	\$ 3,205,000	\$ 3,203,000
Accts. payable	12,263,000	8,771,000
Accrued payroll	4,848,000	4,356,000
Accruals	2,767,000	2,238,000
Income taxes	2,057,000	1,764,000
Deferred inc. taxes	5,572,000	4,133,000
Curr. Liabilities	\$ 30,712,000	\$ 24,465,000

Long-term debt & cap. lease oblig.	26,756,000	24,963,000
Deferred compensation	3,290,000	1,579,000
Deferred inc. taxes	5,582,000	5,618,000
+ Preferred stock	286,000	286,000
+ + Class A Preferred stock	1,000	1,000
+ + + Common stock	9,292,000	9,268,000
Add. paid-in capital	482,000	165,000
Retained earnings	107,886,000	96,220,000
Translation adjust.	(970,000)	(596)
Total Liabilities & Shareholders' Equity	\$ 183,317,000	\$ 161,969,000

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$100 par value, 5% cumulative.
++ \$1 stated value, convertible.
+++ \$1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.03	12.50
%Net Income to Revenues	6.38	6.63
%Net Income to Equity	14.67	15.50
Debt to Equity	0.26	0.27
Working Capital	\$ 94,771,000	\$ 88,094,000
Current Ratio	4.09	4.60
Shareholders' Equity	\$116,977,000	\$105,344,000

Arnav Industries, Inc.

31 West 27th Street
New York, New York 10001
(212) 532-6268

Officers: Leonard Wassner, president; Joseph Wassner, v.p. & treasurer; Mala Wassner, secretary.

Directors: Leonard Wassner, Florence Wassner, Joseph Wassner.

Business Activities: Manufactures outerwear, ladies' sportswear, men's and boy's sweaters, men's suits, sportcoats and leisure suits.

Trademarks and/or Brand Names: Nortex, Rugby, Buck Skein Brand, Franconia, Cross Country Fashions.

Divisions and Subsidiaries:

Cross Country Fashions Inc.
263 West 38th Street
New York, New York 10018
Manufactures ladies' sportswear.

Lustberg Nast & Company
Empire State Building
New York, New York 10001
Manufactures men's heavy outerwear.

Rugby Sportswear Inc.
31 West 27th Street
New York, New York 10001
Manufactures men's sport coats, suits and leisure suits.

Schindler & Company
Franconia Sportswear Inc.
512 Seventh Avenue
New York, New York 10018
Manufactures and sells men's and ladies' ski jackets and golf jackets.

M. Johnson Mfg. Company
Four Eleven Corporation
Normak International Inc.
Mt. Olive Sportswear Corp.

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

	Sales	Earnings
	Net Sales	Net Income †
1984	\$ 43,012,796	\$ 1,570,207
1983	39,255,489	1,532,655
1982	25,694,272	879,275
1981	27,173,809	763,926
1980	25,166,515	(7,404)

	No. of Com. Shares #	Earn. per Share # †
1984	525,314	\$ 2.99
1983	525,893	2.91
1982	555,351	1.58
1981	806,489	0.95
1980	808,642	—

(Loss)

† Including extraordinary gains of \$49,000 (0.09 per share) in 1984, \$131,200 (\$0.25 per share) in 1983, \$190,026 (\$0.34 per share) in 1982 and extraordinary loss of \$650,000 in 1980.
Based on weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	\$ 10,189,324	\$ 19.40
1983	8,626,178	16.40
1982	7,093,991	13.49
1981	8,455,000	10.49
1980	7,691,699	9.54

Income Account *

Year ended Dec. 31	1984	1983
Net sales	\$ 43,012,796	\$ 39,255,489
Other income	1,517,833	1,881,921
Total Income	\$ 44,530,629	\$ 41,137,410
Cost of sales	37,191,118	34,314,035
Expenses	3,845,046	3,655,557
Real estate oper. & service costs	1,006,925	1,067,585
Interest expense	55,177	68,855
Income before taxes	\$ 2,432,363	\$ 2,031,378
Income taxes	1,212,300	962,200
Eq. in earn. of 50% owned cos.	(301,144)	(332,277)
Net Income	\$ 1,521,207	\$ 1,401,455
Extraord. gain	49,000	131,200

Net Income & extraordinary gain	\$ 1,570,207	\$ 1,532,655
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* Included in Costs and Expenses, Depreciation and Amortization: \$237,083 in 1984 and \$268,225 in 1983.

Assets	1984	1983
As of Dec. 31		
Cash	\$ 1,248,810	\$ 853,275
Accts. & notes receiv., net	4,011,401	5,222,079
*Inventories	4,121,800	3,948,310
Notes receiv.	205,000	420,000
Other assets	177,882	163,392

Current Assets	\$ 9,764,893	\$ 10,607,056
Real estate invest.	1,772,115	1,869,389
*Fixed assets	969,764	1,110,588
Other assets	1,572,701	1,150,903
Total Assets	\$ 14,079,473	\$ 14,737,936

Liabilities	1984	1983
Accts payable	\$ 3,126,725	\$ 4,730,789
Accrued compen. & other exp.	345,642	1,167,899
Income taxes	316,652	136,809

Curr. Liabilities	\$ 3,789,019	\$ 6,035,497
Deferred credits	101,130	76,261
+ Common stock	5,251	5,258
Add. paid-in capital	2,249,768	2,256,822
Retained earnings	7,934,305	6,364,098

Total Liabilities & Shareholders' Equity	\$ 14,079,473	\$ 14,737,936
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* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.65	5.17
%Net Income to Sales	3.54	3.57
%Net Income to Equity	14.93	16.25
Sales to Inventories	10.44	9.94
Working Capital	\$ 5,975,874	\$4,571,559
Current Ratio	2.58	1.76
Shareholders' Equity	\$10,189,324	\$8,626,178

Athlone Industries, Inc.

200 Webro Road
Parsippany, New Jersey 07054
(201) 887-9100
(212) 425-6550

Officers: Harold J. Miller, chairman of the board & president; Daniel J. Lyons, exec. v.p.; Alan Shaw, v.p., secretary & gen. counsel; Fred Engelhardt, financial v.p. & treasurer; Robert L. Wood, Stanley Harris, Raymond P. Fisher, Richard A. Gawlik, v.p.'s; Charles E. Quinby, v.p. & controller; Elitza M. Meyer, asst. general counsel & asst. secretary; William L. Ginna, Thomas R. McNicholas, asst. controllers.

Directors: Harold J. Miller*, chairman; Fred Engelhardt, Stanley Harris, Eugene J. Keogh*, Theodore W. Kheel*, Daniel J. Lyons*, Samuel Perlman, Walter R. Rech, Walter J. Roper, Alan Shaw.

* Member of the Executive Committee.

Business Activities: Engaged in the production and sale of women's shirts, blouses and tops, swimwear and shoes; softballs, and other sporting goods; stainless steel plate, tool steels, alloy steels and selected carbon specialties; industrial fasteners, nuts, bolts, screws and washers.

Apparel Trademarks and/or Brand Names: Sea Fashions of California, Lee Mar, Marlyle, Hamp Shires, Sea Weed of California.

Athlone Industries, Inc.

Divisions and Subsidiaries:

Gelfo Manufacturing Co., Inc.
650 Cantigue Road
Jericho, New York 11753

Sea Fashions Inc. ("Sea Fashions of California")
100 East 9th Street
Los Angeles, California 90015

Lee Mar of California
110 East 9th Street, Suite B-1292
Los Angeles, California 90015

Dudley Sports Co. ("Dudley")
120 Mill Street
Dublin, Pennsylvania 18917

Henschel Shoe Division
27 Redington Street
Littleton, New Hampshire 03561

Jessop Steel Company
500 Green Street
Washington, Pennsylvania 15301

Lippische Eisenindustrie GmbH
4931 Detmold 19
West Germany

Reynolds Fasteners, Inc.
300 Forest Drive
Greenville, New York 11548

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd St.
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: ATH

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 217,265,000	\$ (32,393,000)
1984	218,016,000	6,048,000
1983	190,886,000	949,000
1982	195,880,000	2,338,000
1981	235,335,000	14,020,000
	No. of Com. Shares	Earn. per Share ‡
1985	2,319,837	\$ —
1984	2,398,637	2.15
1983	2,395,294	—
1982	2,342,169	0.91
1981	2,465,869	5.16

(Loss)

+ Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Metal prods:		
Specialty steels	\$ 103,491,000	\$ 94,169,000
Industrial fasteners	54,346,000	63,991,000
Consumer prods.	59,428,000	59,856,000
Total	\$ 217,265,000	\$ 218,016,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.60	—	—
1984	1.60	—	—
1983	1.60	—	—
1982	1.60	—	—
1981	1.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 12,237,199	\$ 5.28
1984	51,359,359	21.41

1983	50,235,664	20.97
1982	52,780,830	22.54
1981	58,895,239	23.88

Income Account

Year ended Dec. 31	1985	1984
Net sales	\$ 217,265,000	\$ 218,016,000
Cost of sales	161,437,383	164,820,923
Expenses	32,826,499	29,192,862
Depreciation & amortization	3,953,259	4,063,382
Interest expense	15,245,299	12,021,155
Div. from pref. stock invest.	(3,204,440)	(1,389,322)
Write-down of invest. in pref. stock	2,800,000	—
Loss (gain) on exting. of debt	(1,023,000)	681,000
Inc. bef. taxes	\$ 5,230,000	\$ 8,626,000
Income taxes	2,523,000	3,517,000
Inc. - cont. oper.	\$ 2,707,000	\$ 5,109,000
Inc. (loss) - discount oper.	(35,100,000)	939,000
Net Income (Loss)	\$ (32,393,000)	\$ 6,048,000

Assets

As of Dec. 31	1985	1984
Cash & cert. of dep.	\$ 11,419,132	\$ 10,732,849
Receiv., net	32,951,467	32,692,975
*Inventories	57,370,253	65,701,980
Other curr. assets	2,141,865	1,785,859
Assets of discount oper.	—	10,504,888
Current Assets	\$ 103,882,717	\$ 121,418,551
#Fixed assets	32,083,403	31,367,854
Other assets	5,556,134	7,760,042
Intangibles	19,965,684	20,233,496
Invest. in pref. stocks	25,273,175	16,410,675
Assets of discount oper.	13,026,249	24,959,758
Total Assets	\$ 199,787,362	\$ 222,150,376

Liabilities

Notes payable	\$ 20,871,794	\$ 10,187,421
Long-term debt, curr.	102,265	337,386
Accts. payable	24,868,924	36,228,901
Accruals	13,624,550	14,138,274
Income taxes	—	—
Liab. of discount oper.	7,833,977	—
Curr. Liabilities	\$ 67,301,510	\$ 60,891,982
Long-term debt	99,686,089	99,007,354
Deferred inc. taxes	986,830	3,835,780
Liab. of discount oper.	16,257,360	3,763,772
+ Redeem. pref. stock	3,318,374	3,292,129
+ + Common stock	231,984	239,864
Add. paid - in capital	—	1,310,239
Retained earnings	12,835,502	48,809,256
Curr. trans. adjust.	(830,287)	—
Total Liabilities & Shareholders' Equity	\$ 199,787,362	\$ 222,150,376

* At lower of average cost or market except Metal Products Group inventories at LIFO.

Less accumulated depreciation and amortization.

+ \$1 par value; nonconvertible.

+ + \$0.10 par value.

Statistical Summary

%Net Income to Equity	—	11.78
Sales to Inventories	3.79	3.32
Debt to Equity	9.86	2.13
Working Capital	\$36,581,207	\$60,526,569
Current Ratio	1.54	1.99
Shareholders' Equity	\$12,237,199	\$51,359,359

Avondale Mills

(Acquired by Walton Monroe Mills Inc., a privately held corporation, in July 1986.)

Avondale Avenue
Sylacauga, Alabama 35150
(205) 245-5221

Officers: William T. King, president and chief exec. officer; T. W. Spraggins, v.p.-mfg. services; D.R. Bess, sr. v.p.-finance & administration; C.S. Crockard, v.p.-corp. planning & development; R. Larry Edmunds, v.p., treasurer & secretary; Lorton S. Livingston, Jr., v.p.-credit; Albert S. Landers, v.p.-mgmt. information systems; Philip L. Holson, v.p.-corp. controller & asst. secretary; T. Gerald Burgess, v.p.-industry & public relations.

Directors: Donald Comer, Jr., Richard J. Comer*, W. Hew White*, John W. Woods, William J. Rushton, III, John M. Harbert, III, Wallace D. Malone, Jr., Bernard A. Monaghan, William T. King*.

* Member of Executive Committee

Business Activities: Manufactures and sells cloth and yarn, made of both cotton and man-made fibers used in the production of knitting yarns, carpet yarns and fabrics.

Trademarks and/or Brand Names: Avondale

Plant Location(s): Alexander City, Bon Air, Pell City, Rockford, & Sylacauga, Alabama; Burnsville & Rockingham, North Carolina; Tifton, Georgia; Walhalla, South Carolina.

Divisions:

Avondale Fabrics Division
Avondale Yarns Division

Both at:

Sylacauga, Alabama 35150

Transfer Agent(s):

AmSouth Bank, N.A.
Birmingham, Alabama

Harris Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: AVD

Sales and Earnings

	Net Sales ‡	Net Income
1985	\$ 238,263,000	\$ (2,918,000)
1984	310,603,000	12,407,000
1983	302,138,000	10,493,000
1982	253,742,000	537,000
1981	293,497,000	4,026,000
	No. of Com. Shares †	Earn. per Share +
1985	3,987,085	\$ —
1984	3,974,510	3.12
1983	3,972,442	2.51
1982	4,434,536	0.12
1981	4,434,536	0.91

(Loss)

‡ Includes commissions.

† Adjusted to reflect stock dividend.

+ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$0.80	—	—
1984	0.75	100%	—
1983	0.60	—	—
1982	0.60	—	—
1981	0.60	—	—

+ Adjusted to reflect stock dividend.

R.G. Barry Corporation

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 96,394,000	\$ 24.18
1984	102,298,000	25.74
1983	92,794,000	23.36
1982	91,181,000	20.56
1981	93,304,000	21.04

† Adjusted to reflect stock dividend.

Income Account

Year ended Aug. 31	1985	1984
Net sales & commissions	\$ 238,263,000	\$ 310,603,000
Cost of sales	216,961,000	253,381,000
Expenses	19,929,000	25,601,000
Depreciation	13,090,000	11,594,000
Prov. for doubtful accts.	1,437,000	751,000
Interest expense	2,069,000	1,182,000
Gain (loss) on terminated oper.	(252,000)	(2,603,000)
Other income	(796,000)	(15,000)
Income (loss) bef. taxes	\$ (14,175,000)	\$ 20,712,000
Income taxes (credit)	(9,048,000)	8,305,000
Change in acctg. method	(2,209,000)	—
Net Income (Loss)	\$ (2,918,000)	\$ 12,407,000

Assets

As of Aug. 31	1985	1984
Cash	\$ 15,841,000	\$ 7,836,000
Investments	—	2,057,000
Receiv., net	47,468,000	48,726,000
Refundable inc. taxes	21,756,000	35,958,000
*Inventories	5,917,000	10,865,000
Current Assets	\$ 90,982,000	\$ 105,442,000
#Fixed assets	82,810,000	71,370,000
Funds held for constr.	1,811,000	14,103,000
Other Assets	727,000	2,656,000
Total Assets	\$ 176,330,000	\$ 193,571,000

Liabilities

Long-term debt, curr.	\$ 1,989,000	\$ 1,874,000
Accts. payable	17,304,000	24,515,000
Accruals	12,464,000	15,179,000
Income taxes	932,000	463,000
Def. inc. taxes	1,554,000	4,694,000
Curr. Liabilities	\$ 34,243,000	\$ 46,725,000
Long-term debt	37,602,000	38,769,000
Deferred taxes	8,091,000	5,779,000
+ Common stock	45,000	45,000
Add. paid-in capital	55,943,000	55,868,000
Retained earnings	47,828,000	53,940,000
Treasury stock	7,422,000	(7,555,000)

Total Liabilities & Shareholders' Equity	\$ 176,330,000	\$ 193,571,000
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* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.67
%Net Income to Sales	—	3.99
%Net Income to Equity	—	12.13
Sales to Inventories	4.03	8.64
Debt to Equity	0.41	0.40
Working Capital	\$56,739,000	\$ 58,717,000
Current Ratio	2.66	2.26
Shareholders' Equity	\$96,394,000	\$102,298,000

Barco of California

350 West Rosecrans Avenue
Gardena, California 90248
(213) 323-7315

Officers: Kenneth Donner, chairman of the board & chief exec. officer; David S. Grutman, vice chairman of the board & secretary; Michael K. Donner, president, Lawrence J. Grill, chief operating officer; Michael F. Ferguson, controller & chief financial officer; Patricia Uchimura, accounting mgr. & asst. secretary.

Directors: Kenneth Donner, David S. Grutman, Louis Siegel, Wesley E. Bellwood, Irwin R. Buchalter, Marvyn Carton, Michael K. Donner.

Business Activities: Engaged in the manufacture and marketing of uniform and career apparel, primarily uniforms worn by nurses, doctors, dentists and beauticians.

Trademarks and/or Brand Names: Barco, Mr. Barco, Barco of California, Work Force, The Right Impression, Elan.

Plant Locations: Gardena & Los Angeles, California; Colorado City, Arizona.

Divisions:

Barco Uniform Division
Identity Apparel Division
Professional Apparel Division

Subsidiaries:

Barco of Utah

Transfer Agent(s):

City National Bank
Los Angeles, California

Marine Midland Bank, S.A.
New York, New York

Stock Exchange(s): American

Ticker Symbol: BRC

Sales and Earnings

	Net Sales	Net Income
1985	\$ 22,077,000	\$ (179,000)
1984	24,733,000	278,000
1983	24,261,000	760,000
1982	27,157,000	789,000
1981	22,978,000	597,000
	No. of Com. Shares #	Earn. per Share #
1985	2,105,640	\$ —
1984	2,105,640	0.13
1983	2,105,640	0.36
1982	2,133,333	0.37
1981	2,284,373	0.26

(Loss)

Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984	1983	1982
Professional uniforms	63.0%	70.1%	80.0%	69.9%
Career apparel	37.0	29.9	20.0	30.1
Total	100.0%	100.0%	100.0%	100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.12	—	—
1981	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	\$ 11,964,000	\$ 5.68
1984	12,143,000	5.77

1983	12,117,000	5.75
1982	11,609,000	5.44
1981	11,331,000	4.96

Based on the average number of shares outstanding.

Income Account *

Year ended	6/29/85	6/30/84
Net sales	\$ 22,077	\$ 24,733
Cost of sales	15,321	17,218
Expenses	7,092	7,040
Inc. (loss) bef. taxes	\$ (336)	\$ 475
Income taxes (credit)	(157)	197
Net Income (Loss)	\$ (179)	\$ 278

* Included in Costs and Expenses. Depreciation: \$454,000 in 1985 and \$387,000 in 1984.

Assets (000's)

As of	6/29/85	6/30/84
Cash	\$ 312	\$ 269
Accts. receiv., net	5,506	6,405
*Inventories	5,889	7,228
Refundable income taxes	340	600
Prepaid expenses	261	163
Current Assets	\$ 12,308	\$ 14,665
#Fixed assets	1,941	2,055
Other assets	496	292
Total Assets	\$ 14,745	\$ 17,012

Liabilities (000's)

Notes payable	\$ —	\$ 2,100
Long-term debt, curr.	58	43
Accts. payable	1,400	1,322
Accruals	440	338
Accrued emp. ret. plan	67	260
Deferred taxes	784	760
Curr. Liabilities	\$ 2,749	\$ 4,823
Long-term debt	32	46
+ Common stock	2,106	2,106
Add. paid-in capital	39	39
Retained earnings	9,819	9,998
Total Liabilities & Shareholders' Equity	\$ 14,745	\$ 17,012

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.92
%Net Income to Sales	—	1.12
%Net Income to Equity	—	2.29
Sales to Inventories	3.75	3.42
Debt to Equity	0.01	0.18
Working Capital	\$9,559,000	\$ 9,842,000
Current Ratio	4.48	3.04
Shareholders' Equity	11,964,000	\$12,143,000

R.G. Barry Corporation

13405 Yarmouth Rd. N.W.
Pickerington, Ohio 43147
(614) 864-6400

Mailing Address:

P.O. Box 129
Columbus, Ohio 43216

Officers: Gordon Zacks, chairman of the board & chief exec. officer; Wade M. Harn, president & chief operating officer;

R.G. Barry Corporation

Robert Woodruff, v.p.-operations; Lauritz K. Knudsen, v.p.-sales; Matthew Clamlin, v.p.-marketing; Richard Burrell, v.p.-finance, treasurer & secretary.

Directors: Gordon Zacks, Edward Stan, Eugene Saypol, Harvey M. Krueger, William Ellis, Jr., Wade M. Ham, Richard L. Burrell, William Giovannello, Melvin L. Schottenstien.

Business Activities: Engaged in the production and distribution of leisure time comfort footwear (both leather and textile) for men, women and children. Principal outlets for Barry's footwear products are department stores and specialty shops.

Trademarks and/or Brand Names: Angel Treads, Bentley, Dearfoams, Madye's, Snug Treds, Sundowners, 3 Cheers, Cabbage Patch Kids, Care Bears.

Plant Location(s): Goldsboro, N.C.; San Angelo, Laredo, Texas; Juarez, Ciudad Acuna & Nuevo Laredo, Mexico.

Divisions and Subsidiaries:

Comfort Products Division
Bentley Sales Division
13405 Yarmouth Road
Pickerington, Ohio 43147
(614) 864-6400

Angel Threads
Madyes Sales Division
350 5th Avenue
New York, New York 10001
(212) 947-7580

Barry de Mexico
Cesar Lopez de Lara Avenue
Nuevo Laredo, Mexico

Dearfoam Sales Division
350 5th Avenue
New York, New York 10001
(212) 244-3145

Transfer Agent(s):

The Bank of New York
48 Wall Street
New York, New York 10005

Huntington National Bank of Columbus
Columbus, Ohio

Stock Exchange(s): American

Ticker Symbol: RGB

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 95,710,000	\$ (910,000)
1984	120,200,000	144,000
1983	102,721,000	1,076,000
1982	133,982,235	(8,568,000)
1981	141,080,345	1,284,000

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	3,816,000	\$ —
1984	4,057,000	0.04
1983	3,867,000	0.28
1982	3,857,000	—
1981	3,842,000	0.33

(Loss)
† Including extraordinary gain of \$475,000 (\$0.16 per share) in 1983.
‡ Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 20,318,000	\$ 5.32
1984	23,319,000	5.75
1983	23,175,000	5.99
1982	22,054,000	5.72
1981	30,622,000	7.94

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 95,710,000	\$ 120,200,000
Cost of sales	61,754,000	79,465,000
Expenses	32,509,000	35,914,000
Royalty income	(955,000)	(701,000)
Interest expense	2,312,000	2,419,000
Prov. for plant clos.	—	2,700,000
Disposal of part of co.	1,000,000	—
Income (loss) before taxes	\$ (910,000)	\$ 403,000
Income taxes	—	259,000
Net Income (Loss)	\$ (910,000)	\$ 144,000

* Included in Costs and Expenses, Depreciation: \$1,311,000 in 1984 and \$1,443,000 in 1983.

Assets

As of	12/28/85	12/29/84
Cash	\$ 15,503,000	\$ 15,278,000
Accts. receiv., net	11,810,000	15,048,000
*Inventories	12,701,000	18,830,000
Prepaid expenses	1,487,000	1,918,000
Current Assets	\$ 41,501,000	\$ 51,074,000
#Fixed assets	10,636,000	11,117,000
Other assets	715,000	291,000
Defer. charges	370,000	408,000
Total Assets	\$ 53,222,000	\$ 62,890,000

Liabilities

Long-term debt, curr.	\$ 1,308,000	\$ 2,637,000
Accts. payable	1,981,000	4,357,000
Accruals	3,802,000	4,976,000
Accrued losses	367,000	1,489,000
Curr. Liabilities	\$ 7,458,000	\$ 13,459,000
Other liabilities	60,000	60,000
Long-term debt	25,386,000	26,052,000
+ Common stock	3,816,000	4,057,000
Adl. paid-in capital	13,216,000	13,611,000
Deferred compensation	(1,849,000)	(997,000)
Retained earnings	5,135,000	6,648,000
Total Liabilities & Shareholders' Equity	\$ 53,222,000	\$ 62,890,000

* At cost (not in excess of market).
Less accumulated depreciation and amortization.
+ \$1 par value

Statistical Summary

%Income bef. Taxes to Sales	—	0.34
%Net Income to Sales	—	0.12
%Net Income to Equity	—	0.62
Sales to Inventories	7.54	6.38
Debt to Equity	1.31	1.23
Working Capital	\$34,043,000	\$37,615,000
Current Ratio	5.56	3.79
Shareholders' Equity	\$20,318,000	\$23,319,000

Note: BASF Corporation is a wholly owned subsidiary of BASF AG of Ludwigshafen, West Germany. The equity and the net income of BASF Corporation are consolidated in the financial statements of BASF AG.

Officers: Juergen F. Strube, president & chief exec. officer; Frederick W. Bernthal, exec. v.p.-finance; J. Larry Jameson, Hans H. Kopper, Edwin L. Stenzel, exec. v.p.'s; Nicola W. Palmieri-Egger, corp. v.p.-human resources policies, general counsel & secretary; Werner Praetorius, corp. v.p.-strategic business development; Christoph von Krafft, treasurer.

Directors: Juergen F. Strube, chairman, Johannes Grohmann, Juergen Kammer, Hans Kopper, Norbert Rudolph, Edwin Stenzel, Frederick Bernthal, J. Larry Jameson, Wolfgang Ritter, Hans-Uwe Schenck.

Business Activities: Engaged in the production and marketing of chemicals and fibers/yarns. Included are caprolactam, polycaprolactam, acrylates, industrial alcohols, and various plasticizer and intermediate chemical products. Also manufactures and markets a varied line of both nylon-6 and acrylic staple and yarns for apparel, home furnishings, and industrial end uses.

Trademarks and/or Brand Names: Zefran, Zeftron, Zeftron 500, Zeftron 500 ZX, Zeftron ATX, Bright Zefran, Vivana, Resistat.

Plant Location(s): Anderson & Allendale, S.C.; Freeport, Texas; Williamsburg, Va.; Sylvania, Ga.; Arnprior, Ont., Canada; Kearny, N.J.

Textile Divisions and Subsidiaries:

Fibers Divisions
Drawer D
Williamsburg, Virginia 23187
(804) 887-6000

BASF Fibres Inc.
1565 Carling Avenue
Ottawa, Ontario
Canada K1Z 8R1
(613) 725-3685

Acquisition:

American Enka
Produces hosiery yarns, rayon staple for high-fashion women's apparel, and absorbency products as well as polyester fibers for apparel and interiors of recreational vehicles.

Sales and Earnings

	Net Sales	Net Income
1985	\$2,801,400,000	\$ 39,000,000

Bay Mills Limited

277 Lakeshore Road East
Suite 400
Oakville, Ontario L6J 6J3
Canada
(416) 842-8808

Officers: S.F. Cerny, chairman & chief executive officer, S.R. Scotchmer, president; A.G. Farrell, I.G. Cooper, S.J. Nicholls, F.J. Kurschner, vice presidents; D.E. Minchin, v.p.-finance & secretary.

Directors: S.F. Cerny, E.J. Finn, P. Kaye, J.D. Loveridge, S.J. Nicholls, Z.D. Simo, G.D. Sutton, S.R. Scotchmer.

Business Activities: Bay Mills is a manufacturer and marketer of a wide range of engineered materials, most of which have a fiber base. Operates four highly decentralized divisions each of which has its own development, manufacturing, marketing and financial functions.

Trademarks and/or Brand Names: Armorflex, Bay Back, Bamilex, Perma-Screen, Perma-Screen-It, Fibatipe, Bayex, Gobimat.

Plant Locations: Midland, St. Catharines, & Brampton, Ontario; Calgary, Alberta; Montreal, Quebec; Albion, New York; Cornelia, Georgia; Wichita Falls, Texas.

BASF Corporation

(formerly Badische Corporation)

9 Campus Drive
Parsippany, New Jersey
(201) 263-5858

Divisions and Subsidiaries:

Midland Division

Midland, Ontario, Canada

Operates from a plant in Midland, Ontario, manufacturing engineered materials used to reinforce rubber, high performance plastic, plaster, asphalt, and wood. The company also produces reinforcement fabrics made of graphite and aramid fibers at this plant.

Bayex Division

St. Catharines, Ontario, Canada

Operates from plants in St. Catharines, Ontario, and Albion, New York. Produces non-woven materials for reinforcement of paper, insulation and roofing.

Bayex Incorporated
Albion, New York

Brampton Division

Brampton, Ontario, Canada

Operates from a plant in Brampton, Ontario, manufacturing fiberglass and aluminum insect screening, industrial screening, aluminum wire for coaxial cable and other industrial uses and electrical fence systems.

Homesfield Division

Brampton, Ontario, Canada

Operates from plants in Brampton and Calgary. Produces accessories for the manufacturers of windows, doors and aluminum siding in the construction industry. Les Produits Duvernay Ltee, a 50% owned subsidiary, has a plant in Montreal producing the same range of products.

Les Produits Duvernay Ltee. (50% owned)
Montreal, Quebec, Canada

Armortec, Inc. (50% owned)
Atlanta, Georgia

CerBay Company (50% owned)
Wichita Falls, Texas

This 50% owned joint venture, with CertainTeed Corporation, operates from a plant in Wichita Falls, Texas, and produces materials for the fiber reinforced plastics industry for marine and transportation applications.

Transfer Agent(s):

The Royal Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: BAY

Sales and Earnings

	Net Sales +	Net Income ‡
1985	\$ 71,157,000	\$ 5,661,000
1984	66,053,000	7,481,000
1983	46,519,000	1,259,000
1982	37,760,000	1,383,000
1981	34,289,000	1,539,000
	No. of Com. Shares †	Earn. per Share ‡ #
1985	3,298,000	\$ 1.72
1984	3,270,000	2.29
1983	3,270,000	0.38
1982	3,297,000	0.42
1981	3,342,000	0.46

+ Of continuing operations only.

‡ Includes extraordinary gain of \$1,527,000 (\$0.47 per share) in 1984.

† Adjusted to reflect stock split.

Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.213	—	3-for-1
1984	0.133	—	—
1983	0.133	—	—
1982	0.122	—	—
1981	0.087	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 23,571,000	\$ 7.15
1984	18,456,000	5.64
1983	11,132,000	3.40
1982	10,402,000	3.15
1981	9,570,000	2.86

† Adjusted to reflect stock split.

Income Account

Year ended July 31	1985	1984
Net sales	\$ 71,157,000	\$ 66,052,696
Cost of sales	58,253,000	54,893,916
Depreciation & amortization	1,629,000	1,352,503
Interest expense	921,000	1,095,536
Profit-sharing plan	1,013,000	—
Income bef. taxes	\$ 9,341,000	\$ 8,710,741
Income taxes	3,512,000	3,728,545
Minority interest	168,000	138,561
Inc. cont. oper.	\$ 5,661,000	\$ 4,843,635
Inc. -discont. oper.	—	1,110,361
Net Income	\$ 5,661,000	\$ 5,953,996
Extraord. gain	—	1,527,033
Net Income & extraord. gain	\$ 5,661,000	\$ 7,481,029

Assets

As of July 31	1985	1984
Cash	\$ 4,624,000	\$ 3,765,718
Accts. receiv., net	11,571,000	9,381,860
Note receivable	—	3,902,545
*Inventories	10,858,000	10,596,811
Prepaid expenses	118,000	113,599
Current Assets	\$ 27,171,000	\$ 27,760,533
#Fixed assets	18,525,000	15,797,792
Def. charges & other assets	350,000	356,373
Total Assets	\$ 46,046,000	\$ 43,914,698

Liabilities

Due to bank	\$ —	\$ 2,394,924
Long-term debt, curr.	1,598,000	1,519,917
Accts. payable & accruals	9,465,000	7,440,472
Income taxes	(164,000)	615,192
Curr. Liabilities	\$ 10,899,000	\$ 11,970,505
Long-term debt	7,522,000	10,124,526
Deferred income tax	3,574,000	2,961,301
Minority interest	480,000	402,065
+ Common stock	911,000	726,702
Add. paid-in capital	314,000	314,355
Retained earnings	22,152,000	17,193,769
Curr. trans. adjust.	194,000	221,475
Total Liabilities & Shareholders' Equity	\$ 46,046,000	\$ 43,914,698

* At lower of cost (FIFO) and net realizable value.

Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	13.13	—
%Net Income to Sales	7.96	—
%Net Income to Equity	24.02	32.26
Sales to Inventories	6.55	6.23
Debt to Equity	0.39	0.76
Working Capital	\$16,272,000	\$15,790,028
Current Ratio	2.49	2.32
Shareholders' Equity	\$23,571,000	\$18,456,301

Bayly Corp.

Bldg. 22
Denver Tech Center
Englewood, Colorado 80111
(303) 773-3850

Officers: David T. Marantette III, chairman of the board & chief executive officer; William H. Harrington, v.p.-Notail Division; W. Lamar Bullard, v.p.-operations; Richard P. Thrush, v.p.-finance; Joseph L. Holgerson, v.p. & gen. mgr. Ocean Pacific Division; Kenneth R. Delk, v.p.; Calvin Tipton, secretary & treasurer.

Directors: David T. Marantette, III, chairman; Charles J. Bock, John J. Brinkel, Leet E. Denton, Ronald T. Hill, Charles F. Talbot, Jr., Jack A. Tompkins.

Business Activities: Manufacturer of leisure and utility apparel, largely men's and boy's clothing. Jeans and leisure wear comprise the major portion of its operations. Also operates retail stores specializing in sports equipment and casual wear.

Trademarks and/or Brand Names: Bayly, Off Duty, Sam's Jams, Ocean Pacific, Club Players, Plain Pockets, Lite Athletic Club, Code Blue, Big Mac, Fresh Squeez.

Plant Location(s): Sanger & Visalia, Calif.; Pleasant Grove, Utah; Greeley, & Denver, Colo.; Waco, Texas; Allende, Mexico.

Divisions and Subsidiaries:

Aspen Leaf, Inc.

Operates retail stores in Denver and Colorado Springs, Colorado and in Minneapolis, Minnesota.

Manufactures sportswear.

Transfer Agent(s):

Bank of America, N.T. & S.A.
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BAYL (NASDAQ)

Sales and Earnings

	Sales +	Net Income +
1985	\$ 158,055,000	\$ (598,000)
1984	131,585,000	1,194,000
1983	101,632,000	3,204,000
1982	92,959,000	(2,531,000)
1981	104,890,000	3,574,000
	No. of Com. Shares †	Earn. per Share ‡
1985	2,401,000	\$ —
1984	2,435,000	0.49
1983	2,409,000	1.33
1982	2,716,000	—
1981	2,740,000	1.05

(Loss)

+ Of continuing operations only.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Apparel	\$ 145,195	\$ 119,829
Retail	12,860	11,756
Other income	537	407
Total	\$ 158,592	\$ 131,992

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	\$0.12	—	—
1984	0.12	—	—
1983	0.07	—	4-for-1

Bayly Corp.

1982	0.05	—	—
1981	0.05	—	—

‡ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 24,522,000	\$ 10.21
1984	25,292,000	10.39
1983	23,986,000	9.96
1982	23,463,312	8.64
1981	26,130,229	9.62

Income Account *

Year ended Oct. 31	1985	1984
Net sales	\$ 158,055,000	\$ 131,585,000
Other income	537,000	407,000
Total income	\$ 158,592,000	\$ 131,992,000
Cost of sales	113,321,000	94,652,000
Expenses	38,712,000	29,288,000
Shipping exp.	4,063,000	3,433,000
Interest expense	3,831,000	2,868,000
Income (loss) bef. taxes	\$ (1,335,000)	\$ 1,751,000
Income taxes (credit)	(737,000)	557,000
Net Income (Loss)	\$ 598,000	\$ 1,194,000

* Included in Costs and Expenses, Depreciation: \$4,030,000 in 1985 and \$2,915,000 in 1984.

Assets

As of Oct. 31	1985	1984
Cash & cert. of deposit	\$ 3,360,000	\$ 4,246,000
Accts. receiv., net	17,431,000	17,071,000
Refundable taxes	2,813,000	1,957,000
*Inventories	23,253,000	36,234,000
Def. inc. tax benefits	306,000	369,000
Prepaid expenses	327,000	467,000
Current Assets	\$ 47,490,000	\$ 60,344,000
#Fixed assets	9,123,000	8,796,000
Other assets	6,176,000	9,252,000
Total Assets	\$ 62,789,000	\$ 78,392,000

Liabilities

Notes payable	\$ 1,275,000	\$ 12,445,000
Long-term debt, curr.	3,885,000	3,975,000
Accts. payable	12,254,000	11,375,000
Accruals	5,362,000	5,409,000
Curr. Liabilities	\$ 22,776,000	\$ 33,204,000
Long-term debt	14,148,000	18,819,000
Deferred inc. taxes	1,343,000	1,077,000
+ Common stock	2,816,000	2,816,000
Add. paid-in capital	544,000	542,000
Retained earnings	23,662,000	24,548,000
Treasury stock	(2,500,000)	(2,614,000)
Total Liabilities & Shareholders' Equity	\$ 62,789,000	\$ 78,392,000

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.33
%Net Income to Sales	—	0.91
%Net Income to Equity	—	4.72
Sales to Inventories	6.80	3.63
Debt to Equity	0.79	1.39
Working Capital	\$24,714,000	\$27,140,000
Current Ratio	2.09	1.82
Shareholders' Equity	\$24,522,000	\$25,292,000

Beatrice Companies, Inc.

(Became a privately held corporation as of April 11, 1986.)

Two North LaSalle Street
Chicago, Illinois 60602
(312) 782-3820

Officers: Donald P. Kelly, chairman of the board & chief executive officer; Roger T. Briggs, exec. v.p. & chief financial officer; William S. Mowry, Jr., exec. v.p. & president-International Food; Richard J. Pigott, exec. v.p. & chief administrative officer; John R. Attwood, sr. v.p. & president-Beverage; Reuben W. Berry, human resources; William E. Reidy, sr. v.p.-planning & strategy; Hercules P. Sotos, sr. v.p. & vice chairman-International Playtex; Richard F. Vitkus, sr. v.p. & general counsel; Mary D. Allen, v.p., secretary & asst. general counsel; Chance Bahadur, v.p. & treasurer; John A. Stevens, v.p. & controller.

Directors: Donald P. Kelly, chairman of the board; Kevin A. Bousquette, Roger T. Briggs, Jerome Kohlberg, Jr., Henry R. Kravis, William S. Mowry, Jr., Richard J. Pigott, Paul E. Raetier, Frederick B. Rentschler, George R. Roberts, Joel E. Smilow, Michael T. Tokarz.

Business Activities: The company designs, manufactures and markets intimate apparel and activewear through their consumer products division.

Trademarks and/or Brand Names: Playtex, Danskin, Round the Clock.

Sales and Earnings X (000's)

	Net Sales †	Net Income †
1986	\$1,396,000,000	\$ 225,000,000
1985	11,858,000,000	477,000,000
1984	9,327,000,000	433,000,000
1983	9,139,000,000	43,000,000
1982	9,021,000,000	390,000,000
	No. of Com. Shares	Earn. per Share ‡
1986	113,887,000	\$ 2.04
1985	91,655,000	5.02
1984	91,440,000	4.23
1983	99,084,000	0.27
1982	N.A.	3.80

N.A. - Not Available.

† Of continuing operations only.

X Beatrice, BCI Holding Corp. and BCI Merger Corp. entered into a plan of merger which has been modified as of Feb. 2, 1986. BCI Merger Corp. merged with and into Beatrice, with Beatrice surviving and becoming a direct and indirect wholly-owned subsidiary of BCI Holdings Corp.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business (000's)

	1986	1985
U.S. Food	\$7,040,000,000	\$6,289,000,000
Consumer prods.	2,337,000,000	1,795,000,000
International food	1,919,000,000	1,852,000,000
Businesses divested	100,000,000	1,922,000,000
Total	\$1,396,000,000	\$1,858,000,000

Common Stock Equity

	Total Equity †	Equity Per Share
1986	\$2,857,000,000	\$ 25.09
1985	2,125,000,000	23.18
1984	1,834,000,000	20.06
1983	1,961,000,000	19.79

† After allowing for preferred stock at liquidation value.

Income Account * (000's)

Year ended Feb. 28	1986	1985
Net sales	\$ 11,396,000	\$ 11,858,000
Cost of sales	7,931,000	8,456,000
Expenses	2,729,000	2,679,000
Interest expense	300,000	377,000
Interest income	(41,000)	(52,000)
Business realignment	—	(414,000)
Other expense (income)	35,000	(20,000)
Income before taxes	\$ 442,000	\$ 832,000
Income taxes	217,000	355,000
Income from cont. oper.	\$ 225,000	\$ 477,000
Income from discount oper.	7,000	2,000
Net Income	\$ 232,000	\$ 479,000

* Included in Costs and Expenses, Depreciation and Amortization: \$335,000,000 in 1986 and \$299,000,000 in 1985.

Assets (000's)

As of Feb. 28	1986	1985
Cash	\$ 63,000	\$ 84,000
Short-term invest.	194,000	208,000
Divestiture proceeds	—	855,000
Accts. receiv., net	1,140,000	1,060,000
*Inventories	1,326,000	1,371,000
Other curr. assets	514,000	611,000
Current Assets	\$ 3,237,000	\$ 4,189,000
Investments in affil. cos.	114,000	175,000
#Fixed assets	2,300,000	2,048,000
Consumer franchises	2,505,000	683,000
Other assets	186,000	159,000
Unallocated purch. cost	—	1,924,000
Total Assets	\$ 8,342,000	\$ 9,178,000

Liabilities (000's)

Long-term debt, curr.	\$ 788,000	\$ 1,529,000
Accts. payable	1,000,000	937,000
Accruals	1,198,000	1,112,000
Curr. Liabilities	\$ 2,986,000	\$ 3,578,000
Long-term debt	1,305,000	2,290,000
Other liabilities	433,000	477,000
Minority interest	73,000	75,000
Deferred inc. taxes	588,000	390,000
+ Preferred stock:	100,000	243,000
+ + Common stock	212,000	189,000
Add. paid-in capital	536,000	180,000
Retained earnings	2,308,000	2,304,000
Treasury stock	(12,000)	(344,000)
For curr. trans. adj.	(187,000)	(204,000)
Total Liabilities & Shareholders' Equity	\$ 8,342,000	\$ 9,178,000

* At lower of cost (LIFO and FIFO) or market.

Less accumulated depreciation.

+ No par value.

+ + \$0.01 par value in 1986; no par value in 1985.

Statistical Summary

%Net Income to Equity	7.85	20.23
Sales to Inventories	8.39	8.65
Debt to Equity	0.71	1.61
Working Capital	\$ 251,000,000	\$ 611,000,000
Current Ratio	1.08	1.17
Shareholders' Equity	\$2,957,000,000	\$2,368,000,000

Belding Heminway Company, Inc.

1430 Broadway
New York, New York 10018
(212) 944-6040

Officers: Richard Hausman, chairman of the board & chief executive officer; Samuel Hausman, vice chairman; Bruce Hausman, chairman of the executive committee & sr. vice chairman of the board; Jack Hausman, Leo Hausman, vice chairmen; Robert Brown, president & chief operating officer; Charles L. Randazzo, v.p. & secretary; Ronald V. Kaplan, v.p. & treasurer; Bernard Hellman, vice president; Charles J. Palermo, v.p. & controller; Bruce Klein, v.p., asst. secretary & corporate counsel.

Directors: Jack Hausman, Leo Hausman, Samuel Hausman, Bernard Hellman, Richard T. Kropf, Robert H. Brown*, Martin C. Hausman*, Richard Hausman*, Bruce Hausman*, Alan B. Sorrell, Louis J. Lefkowitz*.

* Member of the Executive Committee.

Business Activities: Engaged in the production and sale of home sewing products, including threads, buttons, notions, zippers, sewing aids, and materials for embroidery, knitting, crocheting and hand weaving. Produces industrial threads and yarns as well as decorative fabrics sold principally to manufacturers of draperies, luggage and bedspreads. The Company also invests in real estate partnerships.

Trademarks and/or Brand Names: Le Chic, La Mode, Le Bouton, Costumaker, Permafrost, My Favorite Things, Loving Touch, Corticelli, Lily, Penn, Le Petite, Classic, and Boutique.

Plant Location(s): Grosvenor Dale & Putnam, Conn.; Elizabeth, N.J.; Hendersonville & Spindale, N.C.; Emporia, Va.; Lansing, Iowa.

Divisions:

Industrial Division
Home Sewing Division
Real Estate

Subsidiaries:

B. Blumenthal & Co., Inc.
Belding Chemical Industries, Inc.
Belding Hausman, Inc.
Belding Real Estate Corporation
Belding International Corporation
Belding Lily Company
Corticelli Real Estate Corporation
The Elmore Corporation
Interstate Cellular Network, Inc.
Pentapco, Inc.
Southampton Textile Company, Inc.

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: BHY

Sales and Earnings

	Net Sales	Net Income
1985	\$ 113,202,000	\$ 4,311,000
1984	124,082,000	5,001,000
1983	113,620,000	5,114,000
1982	101,258,000	2,338,000
1981	121,375,000	3,361,000
	No. of Com. Shares †	Earn. per Share †
1985	2,758,828	\$ 1.56
1984	2,815,287	1.78
1983	2,925,540	1.75
1982	3,153,059	0.74
1981	3,381,427	0.99

† Based on the average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business
(000's)

	1985	1984
Home sewing division	\$ 41,296	\$ 41,493
Industrial division	71,906	82,589
Total	\$ 113,202	\$ 124,082

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	\$0.40	—	—
1984	0.40	—	—
1983	0.39	—	—
1982	0.36	—	—
1981	0.36	3%	—

‡ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 47,041,000	\$ 17.05
1984	45,508,000	16.16
1983	42,822,000	14.64
1982	40,747,000	12.92
1981	40,386,000	12.54

‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 113,202	\$ 124,082
Cost of sales	71,827	78,526
Expenses	33,138	33,495
Depreciation & amortization	3,184	3,123
Interest expense	1,447	1,622
Eq. in earn. of rl. est. partner	(1,910)	(63)
Gain on sale of invest	(1,077)	—
Other income	(918)	(772)
Income before taxes	\$ 7,511	\$ 8,151
Income taxes	3,200	3,150
Net Income	\$ 4,311	\$ 5,001

Assets
(000's)

As of Dec. 31	1985	1984
Cash	\$ 2,053	\$ 1,135
Short-term investments	—	80
Accts. receiv., net	17,930	21,929
Misc. receiv.	1,056	1,582
*Inventories	32,418	25,807
Income taxes	182	809
Current Assets	\$ 53,639	\$ 51,342
#Fixed assets	12,876	13,915
Other assets & defer charges	12,377	9,233
Intangibles	1,145	685
Total Assets	\$ 80,037	\$ 75,175

Liabilities
(000's)

	1985	1984
Bank loans	\$ 9,900	\$ 6,500
Long-term debt & capital lease, curr.	1,309	1,318
Accts. payable	3,835	4,976
Accruals	7,203	6,110
Income taxes	1,320	—
Curr. liabilities	\$ 23,567	\$ 18,904
Long-term debt	6,504	7,825

Deferred inc. taxes	2,925	2,938
+ Common stock	3,605	3,605
Add. paid-in capital	13,721	13,621
Retained earnings	38,083	34,876
Treasury stock	(8,368)	(6,594)

Total Liabilities & Shareholders' Equity	\$ 80,037	\$ 75,175
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* At lower of cost (principally average) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.64	6.57
%Net Income to Sales	3.81	4.03
%Net Income to Equity	9.16	10.99
Sales to Inventories	3.49	4.81
Debt to Equity	0.17	0.20
Working Capital	\$30,072,000	\$32,438,000
Current Ratio	2.28	2.72
Shareholders' Equity	\$47,041,000	\$45,508,000

Bemis Company, Inc.

800 Northstar Center
Minneapolis, Minnesota 55402
(612) 340-6000

Officers: Edward W. Asplin, chairman & chief admin. officer; Howard J. Curler, president & chief executive officer; John H. Roe, exec. v.p.; John N. Dempsey, v.p.-science & technology; Edwin S. McBride, v.p.-operations; George W. Andrews, v.p., secretary & general counsel; LeRoy F. Bazany, v.p. & controller; Jerry Willie, Joon K. Kim, asst. controllers; Lisa Locken, asst. secretary & director of corporate communications; Benjamin R. Field, v.p. & treasurer.

Directors: Judson Bemis*, Edwin S. McBride, John R. Bemis, Edward W. Asplin*, E. T. Binger*, William B. Cash, John N. Dempsey, Howard J. Curler*, William L. Davis, John H. Roe*, Nancy Parsons McDonald, Robert A. Greenkorn, Robert F. Zicarelli*.

*Member of the Executive Committee.

Business Activities: Supplier of packaging products, pressure sensitive adhesives, nonwoven fabrics, lithographic plates, chemicals and plate processing equipment, coated and laminated products, packaging machinery.

Plants and Subsidiaries:**Packaging**

Curwood, Inc.
New London, Wisconsin
Coated, laminated and printed roll stock and pouches; packaging machinery.

Curwood Packaging (Canada), Ltd.
Georgetown, Ontario, Canada
Printed, laminated, multi-layer and coated plastic, foil and paper packaging materials.

Bemistape (Bemis Company, Inc.)
OshKosh, Wisconsin
Pressure-sensitive and heat-sealing packaging tapes.

Custom Resins, Inc.
Henderson, Kentucky
Manufacture of nylon 6 resin for films, injection-molding and coatings.

Lustour Corp.
Murphysboro, Illinois
Rotogravure-printed and embossed labels and wrappers; laminated packaging films.

MacKay Engraving Division
Louisville, Kentucky
Photoengraving of rotogravure cylinders.

Accrply, Inc.
Minnetonka, Minnesota
Manufacture of pressure-sensitive labeling equipment and pressure-sensitive labels.

Bemis Company, Inc.

Film Division
Flemington, New Jersey
Terre Haute, Indiana
Union City, California
Consumer-size and industrial polyethylene bags, film, liner and roll stock

Packaging Service Machinery Company
Minneapolis, Minnesota
Bag weighing, filling, closing and conveying equipment; corrugated case loading, sealing and imprinting equipment, insulation fabricating and packaging units.

Hayssen Manufacturing Co.
Sheboygan, Wisconsin
Spartanburg, South Carolina
Fill seal systems and blow molding machinery.

Hayssen Europa, Ltd.
Thetford, England
Form-fill-seal systems; blow molding equipment.

Hayssen Europa S.R.L.
Zingonia, Italy
Form-fill-seal systems; bundling machinery.

Bemis Machinery Co.
Green Bay, Wisconsin
Powder and liquid filling and capping equipment.

Multi-Net and Lam-Tex Divisions
St. Louis, Missouri
Manufacture of knitted and extruded netting products.

Mankato Corp.
Mankato, Minnesota
Cartons and specialty packaging.

Louisiana Plastics, Inc.
Louisiana, Missouri
Panama City, Florida
Injection-molded plastic containers.

Bemis Craftil, S.A. (49% owned)
Matehuala, Mexico
Open-mesh fabrics and bags; specialty products.

Bemis de El Salvador, S.A. (49% owned)
Santa Ana, El Salvador
Open-mesh fabrics and bags and specialty products.

Gravure Systems
Florence, Kentucky
Produces color separations and rotogravure cylinders.

Industrial Products

MACtac (Morgan Adhesives Comp.)
Stow, Ohio
Schaumburg, Illinois
Pressure-sensitive adhesive print stock, decorative trim, reflective products and industrial fastening systems; label-applying equipment.

Sackner Products, Inc.
Grand Rapids, Michigan
Statesville, North Carolina
Los Angeles, California
Automotive and furniture, padding, components and trim; extruded vinyl moldings and shapes; specialty woven products.

Pervel Industries, Inc.
Plainfield, Connecticut
Vinyl and urethane-coated fabrics; flocked fabrics; special coated papers and laminated vinyl upholstery materials.

Ross & Roberts, Inc.
Stratford, Connecticut
Calendered film and sheeting; expanded and laminated vinyl upholstery materials.

Western Litho Plate & Supply Co.
St. Louis, Missouri
Jacksonville, Texas
Springfield, Missouri
Aluminum lithographic printing plates; litho chemicals; automatic plate exposing and processing equipment.

Transfer Agent(s):

Norwest Bank of Minneapolis
8th & Marquette
Minneapolis, Minnesota 55480

Stock Exchange(s): New York

Ticker Symbol: BMS

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 787,000,000	\$ 23,000,000
1984	779,300,000	18,100,000
1983	701,000,000	12,000,000
1982	681,400,000	10,200,000
1981	719,000,000	17,800,000

	No. of Com. Shares #	Earn. per Share #
1985	14,027,670	\$ 1.64
1984	14,098,934	1.28
1983	14,262,336	0.84
1982	14,891,052	0.68
1981	15,022,288	1.18

+ Of continuing operations only.
Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Packaging	\$ 527,200,000	\$ 526,800,000
Specialty coated & graphics	260,500,000	253,500,000
Intersegment	(700,000)	(1,000,000)
Total	\$ 787,000,000	\$ 779,300,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split ‡
1985	\$0.50	—	2-for-1
1984	0.44	—	—
1983	0.40	—	2-for-1
1982	0.40	—	—
1981	0.40	—	—

† Adjusted to reflect stock splits.
‡ Declared Feb. 4, 1986.

Common Stock Equity

	Total Equity †	Equity Per Share †
1985	\$ 183,774,000	\$ 14.27
1984	175,032,000	13.05
1983	167,016,000	12.43
1982	174,565,000	11.93
1981	176,121,000	11.73

† After allowing for preferred stock at par value.
‡ Adjusted to reflect stock splits.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 787,028	\$ 779,317
Other revenues	1,026	1,135
Total Income	\$ 788,054	\$ 780,452
Cost of sales	616,407	624,411
Expenses	125,272	115,245
Minority interest	1,692	1,595
Interest & other exp.	8,648	8,795
Income before taxes	\$ 36,025	\$ 30,406
Income taxes	13,020	12,314
Net Income	\$ 23,005	\$ 18,092

* Included in Costs and Expenses, Depreciation and Amortization: \$25,011,000 in 1985 and \$23,733,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 5,064	\$ 6,674
Accts. receiv., net	98,831	94,641
*Inventories	83,406	73,791
Prepaid expenses	11,350	7,739
Refundable income taxes	674	801
Prepaid emp. ben.	12,000	—
Current Assets	\$ 211,325	\$ 183,646
#Fixed assets	207,058	196,303
Leased prop. & equipment	1,565	2,188
Other assets	20,926	12,864
Total Assets	\$ 440,874	\$ 395,001

Liabilities (000's)

Notes payable	\$ 3,536	\$ 1,485
Long-term debt, curr.	4,709	4,080
Cap. lease oblig., curr.	224	508
Accts. payable	81,493	70,198
Accrued payroll	22,807	17,517
Income taxes	—	1,007
Accrued taxes	6,884	5,712
Curr. Liabilities	\$ 119,653	\$ 100,507
Long-term debt	77,384	67,970
Cap. lease oblig.	1,546	1,997
Minority interest	9,634	9,485
Deferred inc. taxes	41,429	32,691
Other liabilities	7,443	7,308
Preferred stock:		
+ First preferred, 5% cum.	11	11
+ + Common stock	38,306	43,918
Add. paid-in capital	43,448	36,128
Retained earnings	183,580	167,162
Cumulative translation	(6,631)	(8,950)
Treasury stock	(74,929)	(63,226)
Total Liabilities & Shareholders' Equity	\$ 440,874	\$ 395,001

* At lower of cost or market; domestic inventories at LIFO, foreign at FIFO.
Less accumulated depreciation and amortization.
+ \$100 par value.
+ + \$2.50 in 1985; \$5.00 in 1984.

Statistical Summary

%Income bef. Taxes to Sales	4.58	3.90
%Net Income to Sales	2.92	2.32
%Net Income to Equity	12.52	10.34
Sales to Inventories	9.448	10.56
Debt to Equity	0.48	0.43
Working Capital	\$ 91,672,000	\$ 83,139,000
Current Ratio	1.77	1.83
Shareholders' Equity	\$183,785,000	\$175,043,000

Bernard Chaus, Inc.

1410 Broadway
New York, New York 10018
(212) 354-1280

Officers: Bernard Chaus, chairman of the board & chief executive officer; Josephine Chaus, president & vice chairman; Michael Fieman, sr. v.p.-production; Lynn Buechner, Robert Milgroom, v.p.'s-sales; Steven M. Kessler, treasurer, chief financial officer & secretary.

Directors: Bernard Chaus, chairman; Josephine Chaus, Irwin Jay Robinson, Daniel Rosenbloom, Robert J. Suslow.

Business Activities: Designs, arranges for the manufacture of, and markets moderately priced women's sportswear, blouses and dresses, for the business environment as well as for leisure and active wear.

The Bibb Company

Trademarks and/or Brand Names: Chaus, Josephine, Chaus Woman, Chaus Petite, Josephine Woman, Josephine Petite, Ms. Chaus, Josephine Chaus.

Transfer Agent(s):

Manufacturers Hanover Trust Company of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: CHS

Sales and Earnings

	Net Sales	Net Income
1985	\$ 190,713,000	\$ (234,081)
1984	155,310,000	12,906,001
1983	105,752,000	16,312,302
1982	91,197,000	N.A.
1981	75,151,000	N.A.

	No. of Com. Shares	Earn. per Share ‡
1985	16,225,000	\$ 0.01
1984	16,225,000	0.53
1983	16,225,000	0.60
1982	16,225,000	0.42
1981	N.A.	0.40

(Loss)

N.A. - Not Available.

‡ Pro forma.

Common Stock Equity

	Total Equity	Equity per Share
1985	\$ 16,902,000	\$ 1.04
1984	22,885,000	1.41
1983	16,853,000	1.04
1982	19,375,000	1.19
1981	15,117,000	—

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 190,713,033	\$ 155,309,786
Cost of sales	156,329,213	120,948,518
Expenses	32,991,414	20,181,613
Interest expense	1,775,138	616,528
Interest income	(10,197)	(90,433)
Other income	(100,454)	(102,147)
Income (loss) bef. taxes	\$ (272,081)	\$ 13,755,707
Income taxes (credit)	(38,000)	849,706
Net Income (Loss)	\$ (234,081)	\$ 12,906,001

* Included in Costs and Expenses, Depreciation and Amortization: \$849,545 in 1985 and \$312,614 in 1984.

Assets

As of June 30	1985	1984
Cash	\$ 1,518,493	\$ 15,550
Accts. receiv., net	13,746,637	20,206,055
*Inventories	20,046,971	15,923,677
Prepaid expenses	682,901	2,080,444
Other curr. assets	254,234	181,445
Current Assets	\$ 36,249,236	\$ 38,407,171
#Fixed assets	5,279,380	1,616,858
Other assets	121,140	69,502
Total Assets	\$ 41,649,756	\$ 40,093,531

Liabilities

Notes payable	\$ 8,975,000	\$ 10,275,000
Accts. payable	14,047,091	4,943,445
Accruals	1,725,749	1,232,055
Income taxes	—	70,034
Due to stockholder	—	688,000
Current Liabilities	\$ 24,747,840	\$ 17,208,534
+ Common stock	170,000	170,000
Add. paid-in capital	1,500,000	—
Retained earnings	19,866,619	26,425,700
Treasury stock	(3,772,703)	(3,710,703)
Adv. to stockholders	(862,000)	—

Total Liabilities & Shareholders' Equity \$ 41,649,756 \$ 40,093,531

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.86
%Net Income to Sales	—	8.31
%Net Income to Equity	—	56.40
Sales to Inventories	9.51	9.75
Debt to Equity	0.53	0.45
Working Capital	\$11,501,396	\$21,198,637
Current Ratio	1.46	2.23
Shareholders' Equity	\$16,901,916	\$22,884,997

The Bibb Company

(As of May 15, 1986, the Company became a privately held corporation.)

P.O. Box 4207
Macon, Georgia 31208
(912) 743-3731

Officers: William S. Manning, president; Roland K. Knight, exec. v.p. & pres.-Consumer Products & Apparel Division; George R. Dusenberry, v.p.-mfg. services; J. Fletcher Terry, v.p.-raw materials; M.O. Thompson, v.p.-industrial relations; L.W. Belk, v.p. & secretary; Robert E. Bridgeman, asst. secretary; James A. Duke, Jr., v.p. & treasurer; Alan V. Davis, v.p. & chief financial officer; D.G. Vereen, controller.

Directors: John D. Comer, Gardiner W. Garrard, William S. Manning, William P. Simmons, William B. Turner, Jacob O. Kamm, Frank C. Jones, Philip M. Hampton, W.C. Vereen, Jr.

Business Activities: Manufactures textile products, including yarns for carpeting apparel, and special industrial end uses, woven fabrics, and consumer products—sheets, bedspreads, comforters, and draperies are the company's principal products.

Trademarks and/or Brand Names: Star Wars Saga, Rainbow Brite, Strawberry Shortcake, Peanuts Bulloving, DelBarton, Colorscape.

Plant Locations: Columbus, Macon, Reynolds, Toccoa, Monroe County, Porterdale, Fort Valley, Newnan & Forsyth, Ga.; Hanover, Pa.

Divisions:

Fabrics Division
Yarn and Engineered Products Division
Consumer Products Division

All at:

237 Coliseum Drive
Macon, Georgia 31208

Transfer Agent(s):

Lowell W. Belk, Secretary
The Bibb Company
237 Coliseum Drive
Macon, Georgia 31208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIBB (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1985	\$ 226,819,000	\$ 6,366,000
1984	245,768,000	3,329,000
1983	225,605,000	3,610,000
1982	242,087,000	6,360,000
1981	246,002,000	(7,917,000)

	No. of Com. Shares	Earn. per Share + ‡
1985	1,803,864	\$ 3.53
1984	1,924,859	1.73

1983	2,204,780	1.64
1982	2,163,307	2.94
1981	2,127,063	—

(Loss)

+ Based on the weighted average number of shares outstanding, adjusted to reflect stock split.

‡ Including extraordinary gain of \$750,000 (\$0.34 per share) in 1982.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	\$0.53	—	4-for-3
1984	0.45	—	—
1983	0.38	—	—
1982	—	—	—
1981	0.11	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 72,535,000	\$ 40.10
1984	66,988,000	37.20
1983	72,589,000	32.82
1982	68,589,000	31.23
1981	61,870,000	28.91

† Adjusted to reflect stock split.

Income Account *

Year ended	3/30/85	3/31/84
Net sales	\$ 226,819	\$ 245,768
Cost of sales	195,259	217,622
Expenses	20,657	20,907
Interest expense	3,187	3,210
Income before taxes	\$ 7,716	\$ 4,029
Income taxes	1,350	700
Net Income	\$ 6,366	\$ 3,329

* Included in Costs and Expenses, Depreciation and Amortization \$5,242,000 in 1985 and \$5,673,000 in 1984.

Assets

As of	3/30/85	3/31/84
Cash	\$ 732	\$ 822
Accts. receiv., net	29,498	30,724
*Inventories	50,216	44,513
Current Assets	\$ 80,446	\$ 76,059
#Fixed assets	52,375	43,655
Other assets	2,111	1,891
Total Assets	\$ 134,932	\$ 121,605

Liabilities

	(000's)	
Notes payable	\$ 8,500	\$ —
Long-term debt, curr.	1,240	1,305
Accts. payable	8,504	11,959
Accruals	12,448	11,852
Income taxes	462	1,647
Current Liabilities	\$ 31,554	\$ 26,763
Long-term debt	26,543	21,784
Deferred inc. taxes	4,300	6,070
+ Common stock	22,669	22,528
Retained earnings	49,866	44,460

Total Liabilities & Shareholders' Equity \$ 134,932 \$ 121,605

* At lower of cost primarily (LIFO) or market.

Less accumulated depreciation and amortization.

+ No par value.

The Bibb Company

Statistical Summary

%Net Income to Sales	2.81	1.35
%Net Income to Equity	8.78	4.97
Sales to Inventories	4.52	5.52
Debt to Equity	0.50	0.34
Working Capital	\$48,892,000	\$49,296,000
Current Ratio	2.55	2.84
Shareholders' Equity	\$72,535,000	\$66,988,000

Bobbie Brooks, Inc.

3830 Kelley Avenue
Cleveland, Ohio 44114
(216) 881-5300

Officers: Maurice Saltzman, chairman of the board and chief exec. officer; Robert H. Kanner, president & chief operating officer; George J. Hahn, Jr., sr. v.p.; Stephen R. Kalette, v.p.-administration, secretary & general counsel; Henry W. Pohl, v.p.-finance & chief financial officer; Joseph A. Wolf, treasurer and controller.

Directors: Maurice Saltzman, chairman; Stephen R. Kalette, Robert H. Kanner, S. Lee Kohrman.

Business Activities: Through its Main Line Fashions, Inc. subsidiary, the Company manufactures ladies' and missy coats and outerwear under the "Wellington Fashions", "Elegant Fashions" and "Kashmirale TM" labels. The Bobbie Brooks International Development Company operates worldwide, largely through licensing arrangements.

Trademarks and/or Brand Names: Wellington Fashions, Elegant Fashions, Kashmirale TM.

Divisions and Subsidiaries:

Main Line Fashions, Inc.
New York, New York

Bobbie Brooks International Development Company*
1412 Broadway
New York, New York 10018

Transfer Agent(s):

Ameritrust Company
Cleveland, Ohio

Chase Manhattan Bank
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BBKS

Sales and Earnings

	Net Sales †	Net Income ‡
12/31/85*	\$ 31,058,000	\$ (7,000,000)
4/27/85	64,707,000	(1,395,000)
4/28/84	66,897,000	(1,238,000)
4/30/83	83,014,000	3,730,000
5/1/82	174,163,000	(24,559,000)

	No. of Com. Shares	Earn. per Share
12/31/85*	7,465,788	\$ —
4/27/85	5,465,788	—
4/28/84	5,334,863	—
4/30/83	5,309,674	0.78
5/1/82	4,571,981	—

(Loss)

* 8 months.

† Of continuing operations only.

‡ Including extraordinary credit of \$5,123,000 (\$1.07 per share) in 1983.

Common Stock Equity

	Total Equity	Equity Per Share
12/31/85	\$ 5,649,000	\$ 0.76
4/27/85	10,535,000	1.93
4/28/84	11,792,000	2.21
4/30/83	12,980,000	2.44
5/1/82	7,501,000	1.64

Income Account *

Year ended	12/31/85 (8 months)	4/27/85
Net sales	\$ 31,058	\$ 64,707
Cost of sales	22,802	45,923
Expenses	10,049	18,277
Interest income	(114)	(403)
Interest expense	418	1,145
Restruct. exp	5,014	1,168
Other income	(236)	(59)
Loss bef. taxes	\$ (6,875)	\$ (1,344)
Income taxes	125	51
Net Loss	\$ (7,000)	\$ (1,395)

* Included in Costs and Expenses, Depreciation and Amortization: \$328,000 in eight months ending 12/31/85 and \$589,000 in the year ending 4/27/85.

Assets (000's)

As of	12/31/85	4/27/85
Cash	\$ 1,172	\$ 3,457
Receiv. from pension plan	349	320
Due from factor	5,695	9,075
Trade receivables	4,116	—
Inventories	7,876	6,015
Adv. to suppliers	413	43
Prepaid expenses & other assets	317	1,165
Current Assets	\$ 19,938	\$ 20,075
Fixed assets	883	3,131
Intangible	840	—
Other assets	563	162
Total Assets	\$ 22,224	\$ 23,368

Liabilities (000's)

Accts. payable	\$ 3,723	\$ 2,100
Accruals & sundry liabilities	5,108	3,892
Loan payable - bank	1,000	1,500
Oblig. under cap. leases, curr.	178	166
Liab. deferred pursuant to Chap. XI proc.	2,300	1,205
Curr. Liabilities	\$ 12,309	\$ 8,863
Liab. deferred pursuant to Chap. XI proc.	2,441	3,413
Oblig. under cap. leases	407	542
Deferred credits	1,418	15
+ Common stock	7,466	5,466
Add. paid-in capital	14,966	14,852
Retained earnings (deficit)	(16,783)	(9,783)
Total Liabilities & Shareholders' Equity	\$ 22,224	\$ 23,368

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value; \$1 stated value.

Statistical Summary

Sales to Inventories	3.94	10.76
Debt to Equity	0.28	0.21
Working Capital	\$7,629,000	\$11,212,000
Current Ratio	1.62	2.27
Shareholders' Equity	\$5,649,000	\$10,535,000

Officers: Barry F. Kane, president & chief exec. officer; Kenneth A. Fristad, v.p.-operations; James C. Kelley, v.p.-controller; Beverly J. Williams, v.p.-adm. & secretary; Lyle D. Kenaga, v.p.-consumer sales; Douglas H. Lay, v.p.-mfg.; John R. Lee, v.p.-industrial sales.

Directors: Barry F. Kane, John E. Waller, Ellis P. Waller, G. Vern Diedrick, Milton Falkoff.

Business Activities: Manufactures and markets work and leisure wear gloves, on-the-job safety and personal protection products, and leisure products and outdoor clothing for backpacking, camping and ski wear.

Plant Location(s): El Paso, Texas; Greenville, Ala.; Woodbridge, Ontario, Canada; Juarez, Mexico.

Trademarks and/or Brand Names: Boss, M.L. Synder, Inc., Trailwise, Saska, Ladyfinger, Big Ape, Walloper, Stallion, Blue Ribbon.

Divisions:

Consumer Division
Kewanee, Illinois

Market "Boss" branded cotton, jersey, leather palm and all leather gloves. Boss lined leather winter gloves, family gloves, and Boss "Ladyfinger" brand garden gloves. Also markets sports gloves for hunting, shooting, ice fishing, trailblazing, camping, skiing, motorcycling, snowmobiling and winter snow sports.

Industrial Division

Kewanee, Illinois

Markets industrial rainwear and protective clothing, boots, industrial work gloves in cotton, leather, leather palm and synthetic materials, rubber gloves, coated gloves, personal safety products, under brand names of "Boss" and "M.L. Snyder".

Sports Division

Kewanee, Illinois

Markets sports gloves for hunting, shooting, ice fishing, trailblazing, camping, skiing, motorcycling, snowmobiling and winter snow sports under the "Blue Ribbon" brand.

Subsidiaries:

Boss Canada Inc.
Woodbridge, Ontario, Canada

Boss de Mexico, S.A.
Juarez, Mexico

Transfer Agent(s):

Boss Manufacturing Company
Kewanee, Illinois

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales †	Net Income
1986	\$ 30,765,000	\$ (2,176,000)
1985	34,793,000	(3,317,000)
1984	37,137,000	(396,000)
1983	39,077,000	(516,000)
1982	50,980,000	680,000

	No. of Com. Shares	Earn. per Share +
1986	264,354	\$ —
1985	270,834	—
1984	269,909	—
1983	270,502	—
1982	281,606	2.41

(Loss)

† Of continuing operations only.

+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	\$ —	—	—
1985	—	—	—
1984	—	—	—
1983	0.90	—	—
1982	1.20	—	—

Boss Manufacturing Company

221 West First Street
Kewanee, Illinois 61443
(309) 852-2131

Common Stock Equity

	Total Equity	Equity Per Share
1986	\$ 5,448,000	\$ 20.61
1985	7,732,000	28.55
1984	11,164,000	41.22
1983	11,570,000	42.96
1982	12,517,000	45.44

Income Account *
(000's)

Year ended	3/29/86	4/30/85
Net sales	\$ 30,765	\$ 34,793
Cost of sales	24,274	28,280
Expenses	7,191	8,907
Prov. for closing	500	—
Interest expense	907	800
Other expenses	52	93
Loss bef. taxes	\$ (2,159)	\$ (3,287)
Income taxes	17	30
Net Loss	\$ (2,159)	\$ (3,317)

* Included in Costs and Expenses, Depreciation: \$431,000 in 1986 and \$434,000 in 1985.

Assets
(000's)

As of	3/29/86	4/30/85
Cash & cash equiv.	\$ 335	\$ 1,240
Accts. & notes receiv., net	4,035	5,337
*Inventories	6,546	5,472
Other curr. assets	504	817
Current Assets	\$ 11,420	\$ 12,866
#Fixed Assets	4,794	4,914
Other assets	179	279
Total Assets	\$ 16,393	\$ 18,059

Liabilities
(000's)

Notes payable & long-term debt, curr.	\$ 2,263	\$ 1,389
Accts. payable	1,891	1,286
Other curr. liab.	1,004	1,441
Costs of closing facilities	500	—
Current Liabilities	\$ 5,658	\$ 4,116
Long-term debt	5,136	6,000
Other liabilities	151	211
+ Common stock	3,573	3,573
Add. paid-in capital	252	268
Retained earnings	2,278	4,454
For. curr. trans. adjust.	(170)	(163)
Treasury stock	(485)	(400)
Total Liabilities & Shareholders' Equity	\$ 16,393	\$ 18,059

* At lower of cost (LIFO for 79%, remainder FIFO) or market.
Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	4.70	6.36
Debt to Equity	1.36	0.96
Working Capital	\$5,762,000	\$8,750,000
Current Ratio	2.02	3.13
Shareholders' Equity	\$5,448,000	\$7,732,000

Officers: B.A. Bridgewater, Jr., chairman of the board, president & chief executive officer; Harry E. Rich, sr. v.p. & chief financial officer; Erik R. Risman, sr. v.p. - specialty retailing; John B. Biggs, Jr., v.p. - personnel & administration; Hiram S. Liggett, Jr., J.J. Cramer, v.p.'s; Robert D. Pickle, v.p., corp. secretary & general counsel; William S. Frederick, v.p. & controller; Andrew M. Rosen, treasurer.

Directors: W.L. Hadley Griffin*, John J. Cardwell, Edward L. O'Neill, Warren McK. Shapleigh*, Monte E. Shomaker, Richard W. Shomaker*, Armand C. Stalnaker*, B.A. Bridgewater, Jr.*, Daniel R. Toll, William E. Maritz, Harry E. Rich*.

* Member of the Executive Committee.

Business Activities: Manufactures, markets and retails a wide range of brand name, nationally advertised footwear for women, men and children. Also operates leased retail shoe departments in department stores and company-owned shoe stores, retail fabric stores and a chain of specialty apparel shops and family fashion stores.

Trademarks and/or Brand Names: Court Casuals, Naturalizer, Life Stride, Footworks, De Liso, Connie, Fanfares, Buster Brown, Levi's shoes and boots, Airstep, Palter, Wildcats by Buster Brown, Buskens, Marquise, Tempco, Oak Hill, Eagle, Kid Tech, Jones New York, Adventum, Maserati, Regal, Live Wires.

Subsidiaries:

Footwear

Brown Shoe Company
8300 Maryland Avenue
St. Louis, Missouri 63105
Manufactures and distributes footwear.

Brown Shoe Co. of Canada, Ltd.
1857 Rogers Road
Perth, Ontario, Canada K7H 3E3
Manufactures and distributes footwear.

Wohl Shoe Company
8350 Maryland Avenue
St. Louis, Missouri 63105
Operates leased shoe departments and shoe stores.

Regal Shoe Shops
8400 Maryland Avenue
St. Louis, Missouri 63105
Operates men's retail shoe stores.

Arnold Dunn, Inc.
Imports women's better grade footwear.

Specialty Retailing

Cloth World
St. Louis, Missouri
Operates retail fabric stores.

Meis Bros.
624 Wabash Avenue
Terre Haute, Indiana 47808
Operates family fashion stores.

Linen Center
St. Louis, Missouri
Stores featuring off-price branded merchandise for the bath and bedroom.

Peck's Menswear Center
Retail shops selling off-price men's apparel.

Transfer Agents and Registrars:

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Center Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Midwest

Ticker Symbol: BG

Sales and Earnings

	Net Sales +	Net Income
1985	\$1,400,077,000	\$ 37,814,000
1984*	1,436,253,000	54,063,000
1983	1,354,780,000	67,199,000
1982	1,246,033,000	59,590,000
1981	1,170,124,000	55,120,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	19,778,000	\$ 1.91
1984*	20,419,000	2.65
1983	21,020,000	3.20
1982	21,464,000	2.78
1981	21,826,000	2.53

* 53 weeks.

+ Of continuing operations only.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Footwear	\$ 1,074,253	\$ 1,127,544
Specialty retailing	325,824	308,709
Total	\$ 1,400,077	\$ 1,436,253

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$1.36	—	—
1984	1.28	—	—
1983	1.04	—	2-for-1
1982	0.88	—	—
1981	0.75	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	\$ 376,945,000	\$ 19.72
1984	400,211,000	19.81
1983	389,821,000	18.81
1982	364,457,000	17.28
1981	336,944,000	15.50

+ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	11/2/85	11/3/84 (53 weeks)
Net sales	\$ 1,400,077	\$ 1,436,253
Cost of sales	809,050	838,321
Expenses	499,967	493,149
Interest expense	7,695	10,514
Sundry income	(4,905)	(4,103)
Income before taxes	\$ 88,270	\$ 98,372
Income taxes	39,499	44,666
Inc. - cont. oper.	\$ 48,771	\$ 53,706
Inc. (loss) - discont. oper.	(10,957)	357
Net Income	\$ 37,814	\$ 54,063

* Included in Costs and Expenses, Depreciation and Amortization: \$24,299,000 in 1985 and \$21,936,000 in 1984.

Assets
(000's)

As of	11/2/85	11/3/84
Cash & cash invest.	\$ 25,943	\$ 4,157
Accts. receiv., net	126,704	126,077
*Inventories	308,949	308,627

Brown Group, Inc.

P.O. Box 29
8400 Maryland Avenue
St. Louis, Missouri 63166
(314) 854-4000

Brown Group, Inc.

Prepaid exp. & other assets	17,916	19,248
Assets of discont. oper.	—	54,667
Current Assets	\$ 479,512	\$ 512,776
Assets of discont. oper.	—	11,252
#Fixed assets	126,527	136,812
Other assets	29,278	16,708
Total Assets	\$ 635,317	\$ 677,548
Liabilities		
(000's)		
Notes payable	\$ —	\$ 55,000
Long-term debt, curr.	1,133	1,230
Accts. payable	95,504	68,820
Accruals	30,819	28,735
Employee compensation & benefits	38,865	34,658
Income taxes	9,985	2,990
Curr. Liabilities	\$ 176,306	\$ 191,433
Long-term debt & cap. leases	59,798	63,185
Deferred compensation plans	16,335	14,658
Deferred inc. tax	5,933	8,061
+ Common stock	71,677	75,748
Add. paid-in capital	18,568	19,217
Retained earnings	288,947	306,778
Cumulative trans. adjustment	(2,247)	(1,532)
Total Liabilities & Shareholders' Equity	\$ 635,317	\$ 677,548

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$3.75 par value.

Statistical Summary

%Net Income to Equity	10.03	13.51
Sales to Inventories	4.53	4.65
Debt to Equity	0.16	0.30
Working Capital	\$303,206,000	\$321,343,000
Current Ratio	2.72	2.68
Shareholders' Equity	\$376,945,000	\$400,211,000

Burlington Industries, Inc.

Corporate Headquarters:
3330 West Friendly Avenue
Box 21207
Greensboro, North Carolina 27410
(919) 379-2000

Merchandising Headquarters:
Burlington House
1345 Avenue of the Americas
New York, New York 10105
(212) 621-3000

Officers: William A. Klopman, chairman of the board & chief executive officer; Frank S. Greenberg, president & chief operating officer; Donald R. Hughes, executive vice president; Lanty L. Smith, exec. v.p. & senior general counsel; Robert L. Barnes, William deR. Holt, Jr., William L. Johnson, Marvin J. Pinson, Jr., George Waldrep, Jr., group v.p.'s-manufacturing; N. Laurence Nagle, Clarence C. Finley, Abraham B. Steinberg, Arthur C. Wiener, Bernard A. Leventhal, group v.p.'s-merchandising; John O. Englar, v.p., general counsel & secretary; Lewis E. Boroughs, v.p.-legal; J. Kenneth Lesley, v.p.-personnel & public relations; E. Barry James, v.p.-fibers purchasing; Park R. Davidson, asst. v.p.-finance; Peyton R. Latimer, v.p. & treasurer; Roger F. Anthony, v.p.-manufacturing services & corp. information systems; Agustín J. Diodati, controller; William D. Lusk, Roger M. Rheume, asst. controllers; Emil F. Garda, asst. treasurer-factoring; Robert B. Underhill, Ben F. Tennille, associate general counsels; Robert H. Stevens, Jr., asst. gen. counsel; Robert T. Abbott, Roy M. Phipps Jr., asst. treasurers.

Directors: Horace C. Jones, Joseph W. Barr, Frank S. Greenberg, Frank S. Jones, John K. McKinley, Joseph F. Abely, Jr., William A. Klopman, Ernesta D. Ballard, Donald R. Hughes, Paul J. Rizzo, Michael J. Dargan, John P. Harbin, Louis von Planta, John J. Horan.

Business Activities: Diversified manufacturer of textiles and related products for apparel, home and industry. In addition to fabrics and yarns of all types, consumer products include carpets, draperies, sheets and pillowcases, towels and bedspreads. Industrial fabric products include specialized man-made fiber and fiber glass products. The Company has 73 plants in the United States and 11 plants in 4 other countries.

Trademarks and/or Brand Names:

Burlington House, Burlana, Bur-Mil, Crossfire, Expandra, Galey & Lord, Goodall, Klopman, Lees, Mooresville, Pacific, Raeford, Alluressa, Endo-Stat, Erwin, Knitovations, Mill-health, Mohara, Monticello, Pinfeather, Suraline, Tarpoon, The Equipe, Ultressa, Whipped Cream.

Divisions and Subsidiaries:

Products for Apparel

Burlington Menswear

1345 Avenue of the Americas
New York, New York 10019

Worsted, worsted blend and textured woven fabrics for men's and women's wear and uniforms.

Burlington Denim

1345 Avenue of the Americas
New York, New York 10019

Cotton and cotton/polyester blend denim fabrics.

Klopman Fabrics

1345 Avenue of the Americas
New York, New York 10019

Woven fabrics for women's wear, men's wear and uniforms.

Burlington Blended Fabrics

Polyester cotton fabrics for men's and women's tops, uniforms and polyester/cotton fabrics including corduroy for men's, women's and children's wear.

Burlington Greige Sales

1345 Avenue of the Americas
New York, New York 10019

Filament and spun woven fabrics.

Burlington Madison Yarn

1345 Avenue of the Americas
New York, New York 10019

Textured nylon and polyester, KDK and spun synthetic yarns.

Burlington Knitted Fabrics

Yarn dyed and piece dyed spun and filament circular knitted fabrics for men's, women's and children's wear.

Burlington Prints

Printed, woven and knitted fabrics for men's, women's and children's wear and non-apparel uses.

Burlington Home Sewing Fabrics

Finished apparel fabrics for the home sewing market.

Products for the Home

Carpet Group

Burlington House Area Rugs

919 Third Avenue
New York, New York 10022

Tufted bath and area rugs.

Burlington House Carpets

919 Third Avenue
New York, New York 10022

Tufted residential carpets.

Lees Carpets

Valley Forge Corporate Center
King of Prussia, Pennsylvania 19406

Tufted residential carpeting.

Monticello Carpet Mills

1345 Avenue of the Americas
New York, New York 10019

Tufted residential carpeting.

Lees Commercial Carpets

Tufted and woven carpeting and tufted carpet tiles for the commercial market.

Domestics

Burlington Domestics

1345 Avenue of the Americas
New York, New York 10019

Sheets, pillowcases, towels, bedspreads and comforters.

Burlington House Fabrics Group

1345 Avenue of the Americas
New York, New York 10019

Draperies, bedspreads, mattress ticking, upholstery and decorative fabrics.

Burlington House Converter Fabrics

Drapery fabrics for the custom drapery market.

Burlington House Draperies

Ready-made and made-to-measure draperies, sheets and bedspread ensembles.

Burlington House Ticking

Damask and striped mattress tickings for residential, contract and institutional markets.

Burlington House Upholstery Fabrics

Woven fabrics and tufted velvets for the residential and commercial upholstered furniture market.

Products for Industry

Burlington Glass Fabrics

1345 Avenue of the Americas
New York, New York 10019

Fiber glass fabrics, tapes, and high temperature insulating materials.

Burlington Industrial Fabrics

1345 Avenue of the Americas
New York, New York 10019

Heavy synthetic industrial fabrics.

Burlington Formed Fabrics

Non-woven fabrics for home furnishings, industrial and medical applications.

Burlington Impression Fabrics

Fabrics for typewriters, computer printers and other applications.

Burlington Performance Fabrics

Woven lightweight synthetic fabrics engineered for high-performance end uses.

Other Domestic Operations

Valley Forge Information Service

Market research and opinion polling services.

B. I. Transportation Inc.

Private and common motor carrier and domestic and international traffic services.

Burlington Trading Company

Development of new international markets for Burlington products.

International Operations - Consolidated

Burlington Carpet Mills Canada, Ltd.

Bramalea, Ontario, Canada

Burlington Canada, Inc.

Dorval, Quebec, Canada

Burlington Industries (Ireland), Ltd.

Tralee, Ireland

Burlington Sportswear Fabrics Limited

Longford, Ireland

Burlington AG

Basle, Switzerland

Klopman International S.p.A.

Frosinone, Italy

Nobilis-Lees S.A. de C.V.

Cuernavaca, Mexico

Textiles Morelos S.A. de C.V.

Cuernavaca, Mexico

Insuratex, Ltd.

Hamilton, Bermuda

International Operations - Non-Consolidated

Mitsubishi-Burlington Co., Ltd.

Tokyo, Japan

Carolina Mills, Inc.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Shareholder Service Division
1 New York Plaza
New York, New York 10005

Stock Exchange(s): New York, Boston, Cincinnati, Midwest,
Pacific, Philadelphia.

Ticker Symbol: BUR

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	\$ 2,802,134	\$ 12,574
1984	3,168,760	62,399
1983	2,990,362	88,481
1982	2,876,205	52,487
1981	3,262,886	115,314
	No. of Com. Shares	Earn. per Share †
1985	28,583,382	\$ 0.44
1984	28,531,102	2.18
1983	28,769,172	3.10
1982	28,519,945	1.85
1981	28,297,120	4.10

† Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Apparel prods.	\$1,586,200,000	\$1,761,400,000
Home prods.	941,400,000	1,088,800,000
Industry prods.	274,500,000	318,600,000
Total	\$2,802,100,000	\$3,168,800,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.64	—	—
1984	1.61	—	—
1983	1.52	—	—
1982	1.52	—	—
1981	1.49	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	\$ 1,150,779	\$ 40.26
1984	1,193,266	41.82
1983	1,197,421	41.62
1982	1,151,885	40.39
1981	1,177,676	41.62

Income Account *

	9/28/85	9/29/84
Net sales	\$ 2,802,134	\$ 3,168,760
Cost of sales	2,552,525	2,829,048
Expenses	219,840	229,182
Other income	(26,930)	(38,230)
Interest expense	49,194	52,083
Income before taxes	\$ 7,505	\$ 96,677
Income taxes (credit)	(5,069)	34,278
Net Income	\$ 12,574	\$ 62,399

* Included in Costs and Expenses, Depreciation and Amortization: \$138,848,000 in 1985 and \$134,932,000 in 1984.

Assets (000's)

	9/28/85	9/29/84
Cash	\$ 35,199	\$ 37,076
Investments	50,118	93,680
Accounts receiv., net	477,904	509,031
Sundry notes receiv.	44,231	40,078
Deferred taxes	26,856	28,406

*Inventories	368,330	471,255
Prepaid expenses	9,145	7,313
Current Assets	\$ 1,011,783	\$ 1,186,839
Investments & receiv.	49,160	20,934
#Fixed assets	1,069,480	1,081,002
Other assets	8,220	5,627
Total Assets	\$ 2,138,643	\$ 2,294,402

Liabilities (000's)

Notes payable	\$ 60,875	\$ 120,250
Long-term debt, curr.	38,615	24,727
Accts. payable	152,483	166,271
Accruals & sundry		
accts. payable	149,481	165,088
Income taxes	3,497	6,996
Curr. Liabilities	\$ 404,951	\$ 483,332
Long-term debt	380,544	433,819
Other liabilities	38,022	33,506
Deferred inc. taxes	164,347	150,479
+ Common stock	28,898	28,898
Add. paid-in capital	220,493	220,458
Retained earnings	992,371	1,026,704
Treasury stock	(82,951)	(73,547)
Foreign curr. trans.	(8,032)	(9,247)
Total Liabilities & Shareholders' Equity	\$ 2,138,643	\$ 2,294,402

* At lower of cost or market. Domestic inventories at "dollar value" LIFO; foreign at average cost.
Less accumulated depreciation, amortization and obsolescence.
+ \$1 par value.

Statistical Summary

%Income bef. Taxes	0.27	3.05
to Sales	0.45	1.97
%Net Income to Sales	1.09	5.23
%Net Income to Equity	7.61	6.72
Sales to Inventories	0.42	0.49
Debt to Equity	\$ 606,832,000	\$ 703,507,000
Working Capital	2.50	2.46
Current Ratio	\$1,150,779,000	\$1,193,266,000
Shareholders' Equity		

Carolina Mills, Inc.

618 Carolina Avenue
Post Office Box 157
Maiden, North Carolina 28650
(704) 428-9911

Officers: Edward P. Schrum, president, asst. treasurer & chief executive officer; Jerry Harbinson, v.p.-adm. & asst. secretary; T.P. Pruitt, Jr., v.p.-weaving operations; Kenneth C. Isaac, v.p.-knit finishing operations; Stephen Dobbins, v.p.-sales yarn mfg.; George A. Moretz, v.p.-sales yarn operations; J.L. Thompson, Jr., secretary & treasurer.

Directors: Julius W. Abernethy, Jr. *, Claude S. Abernethy, Jr. *, Julius W. Abernethy, III, Dan Mark Boyd, III, Hurshell H. Keener *, George A. Moretz, Edward P. Schrum *, Charles Long Sigmon, T.P. Pruitt, Jr. *, J.L. Thompson, Jr., Robert A. Ragan.

* Member of the Executive Committee.

Business Activities: Produces yarns for knit outerwear, home furnishings, silver knit, elastic webbing and flame retardant children's sleepwear, cotton flannel for the work glove trade, upholstery fabrics and also finishes circular knit fabrics.

Plant Location(s): Maiden, Newton, Statesville, Hickory, Lincolnton, and Randle, North Carolina.

Divisions:

Yarn Division — Sales
Maiden, Lincolnton, Randle, Newton & Statesville, North Carolina

Yarn Division — Manufacturing

Maiden, Statesville, Lincolnton & Randle, North Carolina

Knit Finishing Division

Newton, North Carolina

Weaving Division

Newton, North Carolina

Woven Fabric Division

Newton & Hickory, North Carolina

Furniture Division

Maiden, North Carolina

Subsidiaries:

Carolina Maiden Corporation
Maiden, North Carolina
New York, New York
Yarn sales agency.

Carolina Mills Domestic International

Sales Corporation (DISC)
Maiden, North Carolina

Null Manufacturing

Maiden, North Carolina

Exposed wood and fully upholstered furniture and occasional tables.

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	\$ 158,120,387	\$ 4,249,498
1984	166,627,353	5,522,672
1983	154,490,368	4,843,926
1982	134,733,139	4,340,319
1981	113,943,593	5,879,561

No. of Com. Shares

	No. of Com. Shares	Earn. per Share
1985	3,936,859	\$ 1.07
1984	3,998,393	1.38
1983	3,995,798	1.21
1982	3,999,900	1.11
1981	3,444,581	1.71

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.52	—	—
1984	0.54	—	—
1983	0.50	—	—
1982	0.50	—	—
1981	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 48,199,901	\$ 12.24
1984	46,533,628	11.64
1983	43,160,340	10.30
1982	40,344,791	10.09
1981	32,243,191	9.36

Income Account *

	9/28/85	9/29/84
Net sales	\$ 158,120,387	\$ 166,627,353
Cost of sales	150,077,319	153,819,753
Other charges	1,213,343	2,541,472
Income before taxes	\$ 6,829,725	\$ 10,266,128
Income taxes	2,580,227	4,743,456
Net Income	\$ 4,249,498	\$ 5,522,672

* Included in Costs and Expenses, Depreciation and Amortization: \$5,368,381 in 1985 and \$5,131,180 in 1984.

Assets

	9/28/85	9/29/84
Cash	\$ 3,073,636	\$ 2,303,223
Notes receiv.	104,576	196,183
Accts. receiv., net	20,738,054	20,950,439

Carolina Mills, Inc.

*Inventories	17,693,078	19,656,819
Temporary investments	2,288,409	2,003,409
Prepaid expenses	92,134	233,837
Overpayment of taxes	314,075	—
Current Assets	\$ 44,303,962	\$ 45,343,910
Investments	3,050	3,050
#Fixed assets	37,036,480	37,924,203
‡Leased prop. under cap. leases	64,607	90,450
Other assets	1,028,782	426,333
Total Assets	\$ 82,436,881	\$ 83,787,946
Liabilities		
Notes payable	\$ 9,986,000	\$ 3,764,000
Accts. payable	7,417,326	7,438,781
Accruals	3,045,947	3,704,314
Income taxes	92,097	608,656
Oblig. under cap. leases	32,558	28,176
Curr. Liabilities	\$ 20,573,928	\$ 15,543,927
Long-term debt	13,663,052	21,710,391
+ Common stock	3,936,859	3,998,393
Add. paid-in capital	4,496,038	4,946,194
Retained earnings	39,767,004	37,589,041
Total Liabilities & Shareholders' Equity	\$ 82,436,881	\$ 83,787,946

* At lower of cost (FIFO, LIFO or average) or market.

Less accumulated depreciation.

‡ Less accumulated amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes		
to Sales	4.32	6.16
%Net Income to Sales	2.69	3.31
%Net Income to Equity	8.82	11.87
Sales to Inventories	8.94	8.48
Debt to Equity	0.49	0.55
Working Capital	\$23,730,034	\$29,799,983
Current Ratio	2.15	2.92
Shareholders' Equity	\$48,199,901	\$46,533,628

Celanese Canada Inc.

(56.2% owned by Celanese Corporation)

800 Dorchester Boulevard West
Montreal H3C 3K8, Quebec, Canada
(514) 871-5511

Officers: Pierre Cote, chairman of the board; Robert J. St. Jacques, exec. v.p.; Jean Richard, v.p.-human resources; Chemical & Industrial Prods. Group; Ian T. Brownlie, v.p.-operations; James K. Lambie, v.p.-corp. development & government relations; J. Stewart Browning, v.p.-corp. affairs & secretary; Jacques Binette, v.p., controller & treasurer; Raymond A. Chevrier, president-Textile Group; Donald J. McLeod, president-Chemicals & Industrial Products Group.

Directors: Pierre Cote*, chairman; Harry B. Bartley, Jr., Laurent Beaudoin*, Marcel Belanger, James J. Bigham*, Raymond A. Chevrier, Robert L. Mitchell, Ernest H. Drew, W.I.M. Turner, Jr.*, Arthur A. Cooksey, Donald J. McLeod, Robert C. Schroeder, Thomas Symons, Mrs. Jean Casselman Wadds, Robert J. St-Jacques*.

*Member of the Executive Committee.

Business Activities: Engaged in the production of man-made fibres, broadwoven fabrics, chemicals and industrial products. The Textile Group is divided into two business units. Textile Fibres manufactures and markets textured polyester filament yarns, acetate filament yarns, as well as apparel, household and carpet staple products. Industrial Fibres manufactures and markets polyester heavy denier industrial filament yarns and staple products.

Trademarks and/or Brand Names: Fortrel, Protel, Sundance, Celanese, Canadian Mist, Celisa.

Plant Location(s): Drummondville, Quebec; Millhaven, Ontario.

Subsidiaries:

Celanese A.G.
Baar, Switzerland

Monterey Textiles Inc. (75% owned)

Montreal, Quebec, Canada

Operates fabric weaving, dyeing and finishing facilities in Drummondville and Saint-Jean-sur-Richelieu, Quebec, Canada.

Transfer Agent(s):

Montreal Trust Company (common & preferred shares)
Edmonton, Montreal, Toronto, Vancouver, Canada

Fidata Trust Company (common shares only)
New York, New York

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CCLM (Montreal), CCLT (Toronto)

Sales and Earnings

	Net Sales +	Net Income ‡
1985	\$ 371,700,000	\$ 12,555,000
1984	387,400,000	6,231,000
1983	378,800,000	8,997,000
1982	305,500,000	(5,579,000)
1981	354,100,000	20,330,000
	No. of Com. Shares	Earn. per Share ‡
1985	13,566,960	\$ 0.87
1984	13,551,174	0.40
1983	13,537,072	0.61
1982	13,528,199	—
1981	13,409,829	1.46

(Loss)

+ Of continuing operations only.

‡ Including extraordinary gain of \$4,362,000 (\$0.32 per share) in 1981.

Revenues By Line of Business

	1985	1984
Polyester & polypropylene	\$ 132,656,000	\$ 148,700,000
Cellulosic fibres & fabrics	85,330,000	90,231,000
Industrial prods.	73,890,000	72,116,000
Chemicals	109,360,000	108,108,000
Eliminations	(29,553,000)	(31,735,000)
Total	\$ 371,683,000	\$ 387,420,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.20	—	—
1984	0.20	—	—
1983	0.05	—	—
1982	0.15	—	—
1981	0.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	\$ 125,663,000	\$ 9.26
1984	116,460,000	8.59
1983	113,625,000	8.39
1982	106,004,000	7.84
1981	113,639,000	8.47

‡ After allowing for preferred stock at redemption values.

Income Account *

	1985	1984
Net sales	\$ 371,683	\$ 387,420
Cost of sales	329,916	347,863
Expenses	23,303	25,798
Interest & debt. exp.	6,239	8,852
Other income	(4,572)	(4,298)
Income bef. taxes	\$ 16,797	\$ 9,205
Income taxes	4,242	1,415

Inc. - cont. oper.	\$ 12,555	\$ 7,790
Loss - discount oper.	—	(1,559)
Net Income	\$ 12,555	\$ 6,231

* Included in Costs and Expenses, Depreciation and Amortization: \$23,853,000 in 1985 and \$24,994,000 in 1984.

Assets

(000's)

As of Dec. 31	1985	1984
Cash & invest.	\$ 1,760	\$ 5,453
Receiv., net	71,887	59,958
*Inventories	40,442	38,706
Other assets	2,083	5,346
Deferred taxes	11,807	12,130
Assets of fabrics oper.	—	21,412
Current Assets	\$ 127,979	\$ 143,005
#Fixed assets	129,227	141,862
Other assets	4,661	10,146
Invest. in subsid.	8,898	—
Total Assets	\$ 270,765	\$ 295,013

Liabilities

(000's)

Long-term debt, curr.	\$ 7,430	\$ 8,896
Accts. payable & accruals	59,704	55,277
Income taxes	4,266	3,771
Liab. of fabrics oper.	—	5,533
Curr. Liabilities	\$ 71,400	\$ 73,477
Unrealized gain	5,829	5,829
Long-term debt	25,000	57,550
Deferred inc. taxes	24,486	23,310
+ Preferred stock	12,363	12,363
+ Common stock	49,874	49,724
Retained earnings	81,813	72,760
Total Liabilities & Shareholders' Equity	\$ 270,765	\$ 295,013

* At LIFO cost.

Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes	4.52	—
to Sales	3.38	—
%Net Income to Sales	8.72	4.62
%Net Income to Equity	9.19	10.01
Sales to Inventories	0.23	0.49
Debt to Equity	\$ 56,579,000	\$ 70,728,000
Working Capital	1.79	2.03
Current Ratio	\$144,050,000	\$134,847,000
Shareholders' Equity		

Celanese Corporation

1211 Avenue of the Americas
New York, New York 10036
(212) 719-8000

Officers: John D. Macomber, chairman of the board, president & chief exec. officer; Robert L. Mitchell, vice chairman; C. Robert Tully, v.p. & chief financial officer; Kenneth G. Anderson, v.p.-employee affairs; Harry B. Bartley, Jr., v.p. & president-Celanese Chemical Company, Inc.; James J. Bigham, v.p. & pres.-Celanese International Co.; Harry W. Buchanan, v.p. & chairman-Virginia Chemicals, Inc.; Richard M. Clarke, group v.p.-Celanese Specialty Operations; Arthur A. Cooksey, v.p. & controller; John A. Fennie, v.p. & president-Textile Fibers; David W. Lodge, v.p. & treasurer; Robert A. Longman, v.p. & general counsel; Ronald K. Shelp, v.p.; Richard S. Payne, v.p. & director of taxation; Ernest H. Drew, group v.p.-Fibers Operations; David A. Jenkins, secretary.

Directors: Robert Anderson*, John W. Brooks, Ida Larkin Clement, Eleanor T. Elliott, Frederic C. Hamilton, Vernon E. Jordan, Jr.*, B.A. Bridgewater Jr., John D. Macomber*, Paul L. Miller*, J. Paul Sticht*, Robert L. Mitchell, C. Robert Tully, Howard C. Kauffmann.

* Member of the Executive Committee.

Business Activities: Develops, manufactures and markets polyester and nylon fibers for textile and industrial end uses; cellulosic fibers, including acetate and Arnel triacetate filament yarn, and staple fiber for textile end uses and acetate tow for cigarette filters; chemical production includes acrylate esters, acetic acid, acetic anhydride, acetaldehyde, formaldehyde, methanol, 1,3-butylene glycol, trimethylolpropane, pentaerythritol, vinyl acetate acrylic acid, and nylon salt; plastics products include "Celgard" microporous polypropylene film and plastic pipe and fittings; resins such as "Celcon" acetal copolymer for automotive, industrial and plumbing applications, "Celanex" thermoplastic polymer for automotive, industrial and electrical markets, and nylon resin; structural adhesives, fiberglass and graphite reinforced composite materials, epoxies, curing agents, alkyds, acrylic solutions, acrylic emulsions and vinyl acetate emulsions used in coatings, electrical components, industrial finishes, adhesives, reinforced plastics, paper and textile applications. Also produces paints, metal decorating and coil coatings, food additives and specialty chemicals.

Trademarks and/or Brand Names: Arnel, Celcon, Celgard, Fortrel, Celanese, Durel, Duraloy, Vectra.

Textile Divisions & Subsidiaries:

U.S. Fibers Group

Celanese Fibers Marketing Company
1211 Avenue of the Americas
New York, New York 10036
(212) 719-8000

Fiber Industries, Inc. (62.5% owned)
Charlotte, North Carolina

Polyester staple and polymer, polyester filament. Plants are located in: Darlington & Greenville, South Carolina, Fayetteville, Salisbury & Shelby, North Carolina.

Celanese Fibers Company
Charlotte, North Carolina

Acetate and triacetate filament, flake and cigarette tow, plasticizer. Plants are located in: Cumberland, Maryland, Narrows, Virginia.

Pama Manufacturing, Inc.
Gastonia, North Carolina
Produces tricort fabric.

International Fibers

Amcel Europe S.A.
Brussels, Belgium
Produces acetate and triacetate filament.

Celanese do Brasil Fibras Quimicas Ltda.
Sao Paulo, Brazil
Produces nylon textile filament and carpet yarn, polyester filament and staple.

Celanese do Brasil Nordeste S.A.
Salvador, Brazil
Polyester filament and staple.

Celanese Canada Inc. (56.2% owned)
800 Dorchester Boulevard West
Montreal, Quebec H3C 3K8
Canada
(514) 871-5511

Produces acetate, triacetate and polypropylene filament and staple, cigarette tow, acetate flake, fabrics, polyester filament, staple and industrial yarn.

Celanese Mexicana, S.A. (40% owned)
Mexico City, Mexico

Manufactures acetate filament and cigarette tow; rayon filament and staple; polyester filament, staple and industrial yarn; nylon filament staple and industrial yarn; acrylic staple, tow and top; acetate flake and purified cotton linters.

Rayon y Celanese Peruana, S.A. (33.3% owned)
Lima, Peru
Acetate and rayon filament; polyester filament and staple; rayon staple.

Celanese Venezolana, S.A.
Caracas, Venezuela

Acetate filament and cigarette tow; polyester filament and staple.

Amcel Co., Inc. (DISC)
Celanese International Company
Celanese International Marketing Company

All at: 1211 Avenue of the Americas
New York, New York 10036

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Pacific, Midwest.

Ticker Symbol: CZ

	Sales and Earnings	
	Net Sales (000's)	Net Income (000's)
1985	\$ 3,046,000	\$ 178,000
1984	3,328,000	161,000
1983	3,261,000	112,000
1982	3,062,000	(34,000)
1981	3,752,000	144,000
	No. of Com. Shares #	Earn. per Share #
1985	12,706,000	\$ 13.70
1984	14,431,000	10.87
1983	15,608,000	6.89
1982	15,600,000	—
1981	15,528,000	9.01

(Loss)

Based on the average number of shares outstanding.

	Revenues By Line of Business	
	(000's)	
	1985	1984
U.S.:		
Chemicals	\$ 964,000	\$ 950,000
Fibers:		
Polyester	1,467,000	1,625,000
Cellulosics	558,000	670,000
Plastics & specialties	57,000	83,000
Total	\$ 3,046,000	\$ 3,328,000

	Common Stock		
	Cash Dividend	Stock Dividend	Stock Split
1985	\$4.50	—	—
1984	4.10	—	—
1983	4.00	—	—
1982	4.00	—	—
1981	3.85	—	—

	Common Stock Equity	
	Total Equity †	Equity Per Share
1985	\$ 928,000,000	\$ 68.77
1984	1,009,000,000	74.66
1983	1,079,000,000	68.77
1982	1,041,000,000	66.78
1981	1,142,000,000	73.15

† After allowing for preference stock at liquidation value.

	Income Account *	
	(000's)	
Year ended Dec. 31	1985	1984
Net sales	\$ 3,046,000	\$ 3,328,000
Cost of sales	2,555,000	2,696,000
Expenses	364,000	360,000
Oper. profit	\$ 127,000	\$ 272,000
Interest income	140,000	36,000
Total	\$ 267,000	\$ 308,000
Eq. in net income of affils.	(25,000)	(28,000)
Interest expense	52,000	74,000
Income bef. taxes	\$ 240,000	\$ 262,000
Income taxes	60,000	101,000
Minority interest	2,000	—
Net Income	\$ 178,000	\$ 161,000

* Included in Costs and Expenses, Depreciation and Amortization: \$246,000 in 1985 and \$214,000 in 1984.

	Assets	
	(000's)	
As of Dec. 31	1985	1984
Cash & marketable securities	\$ 369,000	\$ 166,000
Receivables from pension	—	370,000
Receiv., net	396,000	439,000
* Inventories	389,000	428,000
Other assets	7,000	32,000
Current Assets	\$ 1,161,000	\$ 1,435,000
Investments	228,000	200,000
# Fixed assets	1,217,000	1,349,000
Other assets	203,000	120,000
Total Assets	\$ 2,809,000	\$ 3,104,000
	Liabilities	
	(000's)	
Notes payable	\$ 15,000	\$ 6,000
Long-term debt, curr.	38,000	77,000
Accts. payable & accruals	507,000	467,000
Income taxes	304,000	319,000
Curr. Liabilities	\$ 864,000	\$ 869,000
Long-term debt	434,000	662,000
Deferred pension gain	301,000	333,000
Minority interest	104,000	112,000
Deferred inc. taxes	89,000	29,000
Preferred stock:		
+ Series A 4 1/2%	85,000	85,000
+ + Convertible	—	1,000
+ 7% Second	3,000	3,000
+ + Common stock	387,000	306,000
Add. paid-in capital	28,000	27,000
Retained earnings	995,000	878,000
For. trans. adj.	(15,000)	(29,000)
Treasury stock	(466,000)	(172,000)
Total Liabilities & Shareholders' Equity	\$ 2,809,000	\$ 3,104,000

* At LIFO.

Less accumulated depreciation & amortization.
+ \$100 par value.
+ + No par value.

Statistical Summary		
%Income bef. Taxes to Sales	7.88	7.87
%Net Income to Sales	5.84	4.84
%Net Income to Equity	17.50	14.65
Sales to Inventories	7.83	7.78
Debt to Equity	0.48	0.68
Working Capital	\$297,000,000	\$566,000,000
Current Ratio	1.34	1.65
Shareholders' Equity	\$1,017,000,000	\$1,099,000,000

Champion Products Inc.

3141 Monroe Avenue
Rochester, New York 14618
(716) 385-3200

Mailing address:

P.O. Box 850
Rochester, New York 14603

Officers: John J. Tanis, chairman; Roger Holland, president & chief exec. officer; Harold S. Feinbloom, sr. v.p.; William T. Loftus, v.p.-engineering & research & development; Fred W.Z. Lulof, v.p.-sales & marketing; Gerald F. Norton Jr., secretary & general counsel; Ambrose J. Paridon, v.p.-distribution & corp. services; Thomas D. Sheeky, v.p.-mfg.; John F. Hackett, treasurer.

Directors: Angelo A. Costanza, Harold S. Feinbloom*, Robert Van Buren, Sanford J. Liebschutz, John J. Tanis*, Grady W. Lewis, John M. Emery, Harold Lipson*, Roger Holland.

* Member of the Executive Committee.

Champion Products Inc.

Business Activities: Operates a chain of factory outlet stores located in New York, Massachusetts and Oregon. Engaged in the production, processing, and distribution of athletic uniforms, physical education wear, campus casual wear, camp wear, and leisure wear.

Trademarks and/or Brand Names: Champion, Champion U.S.A., Champknit, Doral, Taper-T, Norset, Endurall, Reverse Weave, Skivvies.

Plant Location(s): Geneseo, Livonia, Perry & Norwich, N.Y.; Clayton, Asheville, Wendell, N.C.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): American

Ticker Symbol: CH

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 118,414,000	\$ 2,363,000
1984	112,483,000	1,660,000
1983	105,897,000	1,820,000
1982	105,541,000	790,000
1981	113,939,000	2,329,000
	No. of Com. Shares	Earn. per Share ‡
1985	1,669,330	\$ 1.44
1984	1,639,351	1.01
1983	1,637,521	1.08
1982	1,708,621	0.46
1981	1,730,796	1.35

† Including extraordinary gain of \$213,000 (\$0.13 per share) in 1984.

‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.72	—	—
1984	0.72	—	—
1983	0.72	—	—
1982	0.72	—	—
1981	0.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 39,129,000	\$ 23.44
1984	37,507,000	22.88
1983	37,007,000	22.60
1982	37,430,000	21.91
1981	38,136,000	22.03

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 118,414,000	\$ 112,483,000
Cost of sales	90,827,000	86,933,000
Expenses	23,039,000	21,887,000
Interest expense	663,000	1,315,000
Income bef. taxes	\$ 3,885,000	\$ 2,348,000
Income taxes	1,522,000	901,000
Net Income	\$ 2,363,000	\$ 1,447,000
Extraord. gain	—	213,000
Net Income & Extraord. Gain	\$ 2,363,000	\$ 1,660,000

* Included in Costs and Expenses, Depreciation: \$1,961,000 in 1985 and \$1,817,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	\$ 8,841,000	\$ 5,874,000
Accts. receiv., net	14,343,000	12,275,000
*Inventories	21,948,000	24,812,000
Other assets	720,000	1,176,000
Current Assets	\$ 45,852,000	\$ 44,137,000
#Fixed assets	12,586,000	12,885,000
Other assets	193,000	100,000
Total Assets	\$ 58,631,000	\$ 57,122,000

Liabilities

Long-term debt, curr.	\$ 774,000	\$ 1,066,000
Accts. payable	3,812,000	3,458,000
Accrued taxes	431,000	(37,000)
Accrued payroll	4,068,000	3,039,000
Obligations under capitalized leases	210,000	182,000
Other liabilities	1,831,000	2,631,000
Curr. Liabilities	\$ 11,126,000	\$ 10,345,000
Long-term debt	6,758,000	7,824,000
Oblig. under cap. leases	392,000	602,000
Def. inc. taxes	1,226,000	844,000
+ Common stock	1,765,000	1,745,000
Add. paid-in capital	11,946,000	11,648,000
Retained earnings	26,717,000	25,540,000
Treasury stock	(1,299,000)	(1,426,000)
Total Liabilities & Shareholders' Equity	\$ 58,631,000	\$ 57,122,000

* At lower of cost (LIFO) or market cost.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.28	2.09
%Net Income to Sales	2.00	1.29
%Net Income to Equity	6.04	3.86
Sales to Inventories	5.40	4.53
Debt to Equity	0.19	0.24
Working Capital	\$34,726,000	\$33,792,000
Current Ratio	4.12	4.27
Shareholders' Equity	\$39,129,000	\$37,507,000

Chatham Manufacturing Company

East Main Street
P.O. Box 620
Elkin, North Carolina 28621
(919) 835-2211

Officers: Alan L. Payne, president & chief executive officer; W.F. Altemueller, C. Louis Neaves, sr. v.p.'s; Richard F. Callaway, D. Nelson Lowe, C. Jack Moore, Jr., W. Franklin Williams, v.p.'s; Lucy C. Everett, v.p. & secretary; David H. Cline, III, v.p. & treasurer; James C. Heckel, asst. secretary & asst. treasurer.

Directors: Hugh G. Chatham, Richard T. Chatham*, Barbara F. Chatham, J. Scott Cramer, Lucy C. Everett*, Charles A. McLendon*, William M. Butler, Alex Chatham, Jr., Alan T. Dickson*, Frank B. Hanes, Ben T. Craig, James H. Martin, Jr., Alan L. Payne*, Calder W. Womble*.

*Member of the Executive Committee.

Business Activities: Engaged in the production and sale of blankets, upholstery, mattress pads, casements, and vams.

Trademarks and/or Brand Names: Chatham, Fiberwoven, Restwarmer, Ultra Restwarmer, North Star, Esmond, Prestige, Rest Smart, Rest Secure, Rest Protector, Lifetime.

Plant Location(s): Elkin, Boonville, Charlotte & Eden, N.C.

Subsidiaries:

The Fiberwoven Corporation
The Leaksville Woolen Mills, Inc.
Dybak, Inc.
Chatham Smith Corporation

All at:
Elkin, North Carolina 28621

Transfer Agent(s):

Chatham Manufacturing Co.
Elkin, North Carolina 28621

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CHAT (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income ‡
1985	\$ 119,983,000	\$ 3,199,000
1984	123,610,000	4,756,000
1983	112,164,470	4,535,960
1982	93,141,987	1,782,702
1981	125,132,672	1,633,326
	No. of Com. Shares	Earn. per Share ‡
1985	1,682,000	\$ 1.79
1984	1,800,000	2.63
1983	1,800,000	2.50
1982	1,800,000	0.98
1981	1,800,000	0.89

+ Includes service income.

‡ Based on the weighted average number of shares outstanding.

‡ Including income in equity of joint venture.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.80	—	—
1984	0.88	—	—
1983	0.70	—	—
1982	0.60	—	—
1981	0.80	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	\$ 52,697,642	\$ 31.33
1984	53,700,710	29.83
1983	50,528,217	28.07
1982	47,261,612	26.25
1981	46,532,586	25.85

‡ After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1985	1984
Net sales & services	\$ 119,982,696	\$ 123,609,638
Cost of sales	98,140,251	99,967,139
Expenses	13,936,164	13,793,910
Interest expense	555,864	644,571
Other charges	1,923,856	639,148
Interest income	(239,005)	(212,696)
Income bef. taxes	\$ 5,665,566	\$ 8,777,566
Income taxes	2,466,756	4,021,067
Net Income	\$ 3,198,810	\$ 4,756,499

* Included in Costs and Expenses, Depreciation and Amortization: \$2,022,569 in 1985 and \$1,972,396 in 1984.

Assets

As of Dec. 31	1985	1984
Cash and time deposits	\$ 4,459,912	\$ 2,307,004
Marketable secur.	1,944,590	1,852,025
Receiv., net	19,832,803	20,515,284
*Inventories	25,846,385	24,897,258
Prepaid expenses	1,650,596	1,114,779

Chesebrough-Pond's Inc.

Current Assets	\$ 53,734,286	\$ 50,686,350
#Fixed assets	14,446,029	14,285,606
Other assets	616,688	1,302,796
Total Assets	\$ 68,797,003	\$ 66,274,752

Liabilities		
Long-term debt, curr.	\$ 500,000	\$ 500,000
Accts. payable	3,383,902	3,192,071
Accrued payroll	1,648,493	996,779
Emp. pension plan	721,040	419,731
Income taxes	594,363	355,622
Other accruals	503,101	444,826
Dividends payable	336,470	504,000

Current Liabilities	\$ 9,687,369	\$ 6,413,029
Long-term debt	5,000,000	5,500,000
Deferred inc. taxes	—	107,513
Other liabilities	891,292	—
+ Preferred stock	520,700	553,500
+ + Common stock	1,800,000	1,800,000
Add. paid-in capital	1,072,963	1,055,932
Retained earnings	52,610,424	50,844,778
Treasury stock	(2,785,745)	—

Total Liabilities & Shareholders' Equity	\$ 68,797,003	\$ 66,274,752
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* At lower cost (LIFO) or market.
Less accumulated depreciation.
+ \$100 par value; 4% cumulative.
+ + \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.72	7.10
%Net Income to Sales	2.67	3.85
%Net Income to Equity	6.01	8.77
Debt to Equity	0.10	0.11
Working Capital	\$44,046,917	\$44,273,321
Current Ratio	5.55	7.90
Shareholders' Equity	\$53,218,342	\$54,254,210

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CHKE (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 83,634,000	\$ 4,269,000
1984	72,413,000	3,059,000
1983	48,299,000	1,676,000
1982	37,409,000	882,000
1981	33,970,000	685,000

	No. of Com Shares ‡	Earn. per Share ‡‡
1985	2,843,523	\$ 1.50
1984	2,847,115	1.07
1983	2,007,038	0.84
1982	2,007,038	0.44
1981	2,007,038	0.34

† Including extraordinary gain of \$323,000 (\$0.11 per share) in 1984.

‡ Based on the weighted average number of common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity per Share ‡
1985	\$ 19,163,000	\$ 3.22
1984	15,354,000	5.39
1983	4,959,000	2.47
1982	3,283,000	1.64
1981	2,454,000	1.22

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

	11/30/85	12/1/84
Net sales	\$ 83,634	\$ 72,413
Cost of sales	53,882	47,343
Expenses	19,567	18,318
Factoring commission & int. exp.	1,541	1,579
Other expenses	132	53
Income before taxes	\$ 8,522	\$ 5,120
Income taxes	4,253	2,384
Net Income	\$ 4,269	\$ 2,736
Extraord. gain	—	323
Net Income & extraord. gain	\$ 4,269	\$ 3,059

* Included in Costs and Expenses, Depreciation and Amortization: \$909,000 in 1985 and 720,000 in 1984.

Assets

	11/30/85	12/1/84
Cash	\$ 1,246	\$ 716
Accts. receiv., net	18,315	19,485
*Inventories	14,148	13,551
Net invest. - direct fin. lease	278	248
Prepaid expenses	854	263
Current Assets	\$ 34,841	\$ 34,263
#Fixed assets	2,253	2,243
Net invest. - direct fin. lease	1,050	1,327
Other assets	466	609
Other investments	331	360
Intangibles	2,044	2,091
Total Assets	\$ 40,985	\$ 40,874

Liabilities

	(000's)	
Bank loans	\$ 9,916	\$ 13,328
Long-term debt, curr.	410	552
Accts. payable & accruals	6,285	6,016
Income taxes	345	353
Due to stockholders	—	18
Curr. Liabilities	\$ 16,956	\$ 20,267
Long-term debt	1,669	2,090
Deferred inc. taxes	3,197	3,163
+ Common stock	7,446	7,706
Retained earnings	11,917	7,648
Deferred compensation	(200)	—

Total Liabilities & Shareholders' Equity	\$ 40,985	\$ 40,874
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* At lower cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.19	7.07
%Net Income to Sales	5.10	3.78
%Net Income to Equity	22.28	17.82
Sales to Inventories	5.91	5.34
Debt to Equity	0.63	1.04
Working Capital	\$17,885,000	\$13,976,000
Current Ratio	2.05	1.69
Shareholders' Equity	\$19,163,000	\$15,354,000

The Cherokee Group

12544 Saticoy Street
North Hollywood, California 91605
(213) 875-1002

Officers: James P. Argyropoulos, chairman of the board & chief exec. officer; Robert Margolis, president & chief operating officer; Arthur P. Argyris, v.p.-manufacturing, shoes; Terrance J. Smith, chief financial officer; Jay L. Kester, exec. v.p.; Ira J. Smith v.p.-production, Cherokee Apparel; Gloria G. Goldberg Teague, v.p.-marketing/merchandising; Joe Gasper, president-licensing.

Directors: James P. Argyropoulos, chairman; Robert Margolis, Arthur P. Argyris, Norman L. Cowgill, Peter D. Tammy, Edwin W. Steidle, Gary D. Cooper.

Business Activities: Designs, manufactures and markets women's apparel, including pants, woven and knitted tops, skirts, overalls, jumpsuits, jeans and vests, under the Cherokee brand name and other private labels. Also manufactures women's footwear, and operates seven retail stores and two outlet stores, mostly in the greater Los Angeles area.

Trademarks and/or Brand Names: Cherokee, Littlefoot, Kork-Ease, Hands On.

Divisions:

Apparel Division
Shoe Division
Licensing Division
Retail Division

Subsidiaries:

Cherokee Apparel Corporation
Cherokee Trading Corporation
Cherokee World Wide Corporation

Transfer Agent(s):

City National Bank
Beverly Hills, California

Chesebrough-Pond's Inc.

Westport, Connecticut 06881-0851
(203) 222-3000

Officers: Ralph E. Ward, chairman of the board & chief executive officer; Robert M. Phillips, president & chief operating officer; Donald G. Wiesen, vice chairman & chief financial officer; George F. Goebeler, president & chief operating officer-consumer products group; Richard P. Scheifle, vice chairman; E.C. Galloway, exec. v.p.; Robert H. Mann, Jr., v.p., secretary & general counsel; Anthony J. Butterworth, v.p. & president-International Division; Richard H. Bourret, v.p. & president-Bass Division; Edward I. Rabin, v.p. & president-Prince Matchabelli Division; Charles B. Strauss, v.p. & president-Packaged Foods Division; Gary N. Malloch, v.p. & president-Health & Beauty Products Division; Robert E. Karlson, v.p. & president-Hospital Products Division; Robert E. Crow, v.p. & president-Basic Chemicals Division; Carl R. Garr, v.p. & president-Polymer Division; Conrad S. Kent, v.p. & president-Specialty & Food Products Division; Joseph P. Monteleone, v.p. & president-International Division; Chemical Products Group; Milan J. Turk, v.p. & president-Agricultural Products Division; John M. Sullivan, v.p. & president-Prince Division; Melvin I. Davis, Edward C. Hughes, Kenneth R. Lightcap, George J. Luby, Theodore C. Mullins, Stephen R. Walls, Richard I. Matales, William H. Schmitt, v.p.'s, Richard J. Roizhausen, v.p. & treasurer, Rocco Balestriere, controller.

Directors: Robert A. Breakstone, George F. Goebeler, Robert H. Mann, Jane C. Pfeiffer, Ralph E. Ward, Donald G. Wiesen, Frank L. Starnberg, James D. Farley, Donald F. McCullough, Walter E. Hanson, Ralph E. Bailey, Thomas A. Holmes, Richard P. Scheifle, Charles J. Chapman, Jr.

Business Activities: Manufactures and markets consumer products, including cosmetics, medicinals, toiletries, fragrances, specialty foods, apparel, footwear, health care products and hospital supplies. The Prince Division manufactures and markets men's and women's teeny apparel and shoes. The Bass Division manufactures and markets casual footwear for the whole family.

Apparel Trademarks and/or Brand Names: Prince, Bass Secrets, Bass Air, Bare Traps, Eclipse, Bass Weejuns, Bass Sunjuns.

Chesebrough-Pond's Inc.

Plant Locations: Huntsville, Alabama; Buena Park, Merced, North Hollywood, El Cajon & Stockton, California; Clinton, Conn.; Owensboro, Ky.; Wilton, Me.; Berlin, New Hampshire; Jefferson City, Mo.; Lawrenceville, N.J.; Oriskany Falls, Rochester, Sherburne & Watertown, N.Y.; Welcome, North Carolina; Levittown & Reading, Pennsylvania; Wytheville, Va.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, London, Paris

Ticker Symbol: CBM

Sales and Earnings

	Net Sales	Net Income
1985	\$2,699,498,000	\$ 82,174,000
1984	1,522,148,000	119,529,000
1983	1,385,128,000	127,878,000
1982	1,342,421,000	125,265,000
1981	1,308,128,000	117,421,000

	No. of Com. Shares †	Earn. per Share †
1985	34,997,000	\$ 2.35
1984	35,132,000	3.40
1983	35,768,000	3.58
1982	35,196,000	3.56
1981	34,513,000	3.40

† Based on the weighted average number of shares

Revenues By Line of Business

	1985	1984
Health beauty prod.	\$ 332,273,000	\$ 304,277,000
Packaged foods	349,878,000	337,511,000
Prince Matchabelli	138,411,000	139,773,000
Bass	170,462,000	172,127,000
Hospital products	84,407,000	74,608,000
International	374,184,000	365,816,000
Prince	61,945,000	65,495,000
Polymer	109,208,000	52,541,000
Total consumer prods.	\$1,620,768,000	\$1,522,148,000
Chemical prods. group	1,078,730,000	—
Total	\$2,699,498,000	\$1,522,148,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$2.00	—	—
1984	1.92	—	—
1983	1.84	—	—
1982	1.72	—	—
1981	1.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 678,273,000	\$ 19.20
1984	625,617,000	18.30
1983	649,945,000	18.27
1982	625,082,000	17.41
1981	565,436,000	16.32

Income Account *

	1985	1984
Net sales	\$ 2,699,498	\$ 1,522,148
Cost of sales	1,579,690	693,670
Expenses	902,708	645,757
Interest expense	179,056	55,070
Interest income	(34,368)	(15,068)
Gain on for. exch.	(12,256)	(3,639)
Other expense (income)	7,223	(127)
Income before taxes	\$ 77,445	\$ 146,485
Income taxes	12,776	57,083
Minority interest	4,319	(47)
Eq. in earn. of assoc. cos.	(7,610)	(2,898)

Inc. - cont. oper.	\$ 67,960	\$ 92,347
Inc. - discont. oper.	14,214	27,182
Net Income	\$ 82,174	\$ 119,529

* Included in Costs and Expenses, Depreciation \$118,547,000 in 1985 and \$24,748,000 in 1984

Assets

	1985	1984
As of Dec. 31		
Cash & short-term invest.	\$ 69,964	\$ 100,566
Accts. receiv., net	506,519	365,054
*Inventories	657,498	502,894
Prepaid expenses	59,503	37,931
Assets of businesses held for sale	50,225	—
Current Assets	\$ 1,343,709	\$ 1,006,445
#Fixed assets	1,024,226	829,322
Invest. & other assets	184,169	53,092
Intangibles	455,946	58,451
Total Assets	\$ 3,008,050	\$ 1,447,310

Liabilities

	1985	1984
Notes payable	\$ 109,615	\$ 265,952
Long-term debt	85,072	3,516
Accts. payable & accruals	505,342	208,649
Income taxes	64,084	28,810
Curr. Liabilities	\$ 764,113	\$ 508,927
Long-term debt	1,174,349	243,929
Deferred taxes	141,024	26,689
Other liabilities	162,998	42,984
Minority interest	87,293	1,164
+ Common stock	36,180	36,180
Add. paid-in capital	92,678	96,331
Retained earnings	671,210	659,152
For. curr. trans. adjust.	(88,973)	(89,892)
Treasury stock	(32,822)	(76,154)
Total Liabilities & Shareholders' Equity	\$ 3,008,050	\$ 1,447,310

* At lower of cost or market. Consumer products group at FIFO; chemical products group at LIFO.
Less accumulated depreciation
+ \$1 par value

Statistical Summaries

%Net Income to Equity	12.12	19.11
Sales to Inventories	4.11	3.03
Debt to Equity	2.02	0.82
Working Capital	\$579,596,000	\$499,518,000
Current Ratio	1.76	1.99
Shareholders' Equity	\$678,273,000	\$625,617,000

Chromalloy American Corporation

120 S. Central Avenue
St. Louis, Missouri 63105
(314) 726-9200

Officers: Norman E. Alexander, chairman of the board, president & chief executive officer; Geoffrey L. Phillips, sr. exec. v.p.; Thomas G. Barnett, exec. v.p.-finance & chief financial officer; John P. Denneen, exec. v.p.-general counsel & secretary; Ernest M. Felago, v.p.-human resources; A.W. Clubb, v.p.; Del G. Meinz, v.p.-taxes; James A. Silkwood, v.p.-corporate development; Thomas J. Phelps, v.p.-business planning; John J. Quicke, v.p. & controller; Charles E. Self, treasurer

Directors: Norman E. Alexander*, chairman; Robert Bennett, A. Leon Ferguson*, Allan Kramer, Stuart Z. Krinsky*, Geoffrey L. Phillips, Craig Stevenson, Fred R. Sullivan, Millard L. Midonick

* Member of the Executive Committee

Business Activities: Sells a broad range of products and services through operating companies in five industry segments: metal fabrication, transportation, apparel, petroleum services, and financial services.

Apparel Trademarks and/or Brand Names: Clubman, MarxHass, Superior, Hampton Health, Gordon of Philadelphia, Campus Casuals of California. Also Gordon, Petties by Gordon.

Product Groups, Divisions & Subsidiaries:

Consumer and Building Products Group

250 King Manor Drive

King of Prussia, Pennsylvania 19406

Fabrication, installation and distribution of glass and aluminum-glass building materials, distribution of glass pipe and fittings, manufacture of mirrors, manufacture of insulated glass window components, general housing materials and lumber sales, prefabricated lumber building components, millwork, and modular homebuilding components. Also produces vinyl and rubber footwear.

Textile-Apparel Group

1270 Broadway

New York, New York 10001

Production of cotton and cotton polyester blend fabrics from raw bale cotton and polyester, dyeing and finishing cotton and synthetic materials used in the manufacture of sleeping bags, tents, outdoor cushions and similar items; dyeing and chemically processing cotton textiles for the purpose of making the material water repellent, mildew resistant and fire retardant; designs and merchandises a complete line of men's suits, sport coats and slacks under the "Clubman", "Marx Haas" and "Hampton Health" labels and under retailer's private labels; women's sportswear under the Campus Casuals label and coordinated separates under the Gordon of Philadelphia label. Operates 70 specialty apparel stores, located in enclosed mall shopping centers in seventeen states principally west of the Mississippi River under the store names of K.G. Men's Store, and K.G. Bootery. Also operates self-service retail stores based in Texas under the names K's Thrift Centers and K's Shoe Stores, offering men's, ladies' and children's clothing and certain other household items.

Metal Tectonics Group

4430 Director Drive

San Antonio, Texas 78219

Sophisticated diffusion systems for coating metal, proprietary turbine engine component repair, specialized air foil castings, machineable ferrous carbides; decorative finishing of coiled aluminum and steel; grey, ductile, and malleable iron castings; aluminum castings and vehicular radiator cores.

Transport-Marine Company

120 South Central Avenue

St. Louis, Missouri 63105

Movement of regulated and bulk commodities by barge and tanker, urban and suburban bus transportation.

Farm and Industrial Equipment Company

Shelard Plaza

St. Louis Park, Minnesota 55426

Agricultural implements for preparing and cultivating soil, harvesting, handling crops and animal feed, tractor-attached implements; silos and related equipment, specialized truck bodies.

Petroleum Services Group

654 E. North Belt

Houston, Texas 77060

Mining of barite, an essential component of drilling compounds, manufacture and sale of drilling fluids (mud) and related chemicals; engineering, designing, fabricating and installing custom-built, water treatment systems for municipalities and operators of electrical and other production facilities with water control and environmental problems; manufacture and sale of oil field exploration and production equipment such as cementing tools and paraffin scrapers, hard-facing valves and seats as well as repairs to industrial control valves; repair of industrial gas compressors including manufacture and remanufacture of component parts.

The Saval Group, Inc.

Operates three insurance companies.

Chromalloy Finance Corporation

Finances trade receivables from other subsidiaries, leases autos, trucks, and other equipment.

The Centor Company

A real estate subsidiary holding various income-producing properties.

Coated Sales, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Mercantile Trust Company, N.A.
721 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York

Ticker Symbol: CRO

Sales and Earnings			
	Net Sales + (000's)	Net Income (000's)	
1985	\$ 873,234	\$ 2,172	
1984	865,646	(4,628)	
1983	841,296	(42,223)	
1982	942,781	(42,380)	
1981	1,025,037	12,613	
	No. of Com. Shares #	Earn. per Share #	
1985	15,261,000	\$ —	
1984	15,223,000	—	
1983	15,145,000	—	
1982	15,155,000	—	
1981	14,758,000	0.57	

(Loss)

Based on the average number of common shares and common share equivalents outstanding
+ Of continuing operations only

Revenues By Line of Business (000's)			
	1985	1984	
Transportation	\$ 334,073	\$ 279,368	
Metal fabrication	222,589	235,117	
Petroleum services	193,996	215,262	
Apparel	122,576	135,899	
Total	\$ 873,234	\$ 865,646	

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.45	—	—
1981	1.10	—	—

Common Stock Equity		
	Total Equity ‡	Equity Per Share ‡
1985	\$ 234,036,000	\$ 15.34
1984	231,193,000	15.19
1983	243,189,000	16.06
1982	289,399,000	19.10
1981	344,712,000	23.36

‡ After allowing for preferred stock at involuntary liquidation value

† Based on the average number of common shares and common share equivalents outstanding.

Income Account *			
	(000's)		
Year ended Dec. 31	1985	1984	
Net sales & oper. revenues	\$ 873,234	\$ 865,646	
Cost of sales	656,353	662,022	
Selling general & admin. exp.	166,160	163,752	
Operating income	\$ 50,721	\$ 39,872	
Interest expense	27,622	34,588	
Prov. for impaired assets	9,500	—	
Other income	2,477	(1,009)	

Income before taxes	\$ 11,122	\$ 6,293
Income taxes	4,459	5,403
Equity in Fin. Serv.	4,491	2,795
Inc. (loss)-cont. oper.	\$ 2,172	\$ (1,905)
Loss-discont. oper.	—	(2,723)
Net Income (Loss)	\$ 2,172	\$ (4,628)

* Included in Costs and Expenses, Depreciation and Amortization: \$43,898,000 in 1985 and \$42,954,000 in 1984.

Assets (000's)			
As of Dec. 31	1985	1984	
Cash	\$ 14,628	\$ 25,339	
Receiv., net	119,588	109,481	
*Inventories	129,103	135,172	
Prepaid expenses	15,064	31,054	
Current Assets	\$ 278,383	\$ 301,046	
#Fixed assets Investments & other assets	347,052	358,296	
	31,560	35,024	
Total Assets	\$ 656,995	\$ 694,366	
Liabilities (000's)			
Long-term debt, curr.	\$ 31,697	\$ 28,693	
Notes payable	11,652	11,056	
Accts. payable	67,344	68,970	
Accruals	75,049	69,773	
Curr. Liabilities	\$ 185,742	\$ 178,492	
Long-term debt	163,523	224,655	
Other deferred liabilities	40,176	22,467	
+ Preferred stock	805	806	
+ + Common stock	15,261	15,260	
Add. paid-in capital	120,973	120,973	
Retained earnings	129,655	135,536	
Other	860	(3,823)	
Total Liabilities & Shareholders' Equity	\$ 656,995	\$ 694,366	

* At lower of cost or market, domestic inventories at LIFO, foreign at FIFO.
Less accumulated depreciation.
+ \$1 par value, \$5.00 cumulative convertible.
+ + \$1 par value.

Statistical Summary			
%Net Income to Equity	0.81	—	
Debt to Equity	0.77	0.98	
Working Capital	\$ 92,641,000	\$122,554,000	
Current Ratio	1.50	1.70	
Shareholders' Equity	\$267,554,000	\$268,752,000	

Coated Sales, Inc.

P.O. Box 999
Two Industrial Drive, Suite C
Laurence Harbor, New Jersey 08879-0999
(201) 583-9600

Officers: Michael Weinstein, chairman of the board, secretary & treasurer; Ernest Glantz, president; Richard Bober, v.p.; Philip I. Kagan, asst. secretary.

Directors: Michael Weinstein, chairman; Ernest Glantz, Richard Bober, Philip I. Kagan, Amber M. Brookman.

Business Activities: Develops and produces innovative fabrics and other products through specialized finishing, treating, and coating processes primarily for highly technical industrial use and other special applications.

Plant Location: Laurence Harbor, New Jersey.

Division:

Amber Brookman Fabrics Division
New York, New York

Affiliate:

Cal-Pen Textiles, Inc.
Los Angeles, California
Wholesale distributor of industrial textiles.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RAGS (NASDAQ)

Sales and Earnings			
	Net Sales	Net Income	
1985	\$ 27,461,638	\$ 677,567	
1984	18,199,597	456,247	
1983	9,965,420	(8,851)	
	No. of Com. Shares ‡	Earn. per Share ‡	
1985	12,115,854	\$ 0.056	
1984	10,000,000	0.046	
1983	10,000,000	—	

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1985	\$ 5,163,684	\$ 0.43
1984	971,587	0.10
1983	515,340	0.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *			
	12/28/85	12/29/84	
Net sales	\$ 27,461,638	\$ 18,199,597	
Cost of sales	21,986,338	14,931,092	
Expenses	2,585,158	1,409,505	
Interest expense	1,600,130	1,028,253	
Income before taxes	\$ 1,290,012	\$ 830,747	
Income taxes	628,000	374,500	
Minority interest in subsid.	(15,555)	—	
Net Income	\$ 677,567	\$ 456,247	

* Included in Costs and Expenses, Depreciation and Amortization: \$33,457 in 1985 and \$7,658 in 1984.

Assets			
As of	12/28/85	12/29/84	
Cash	\$ 118,429	\$ 5,959	
Accts. receiv., net	1,880,437	573,070	
Due from factor	453,361	—	
*Inventories	8,585,649	3,707,877	
Prepaid expenses	62,417	136,505	
Current Assets	\$ 11,100,293	\$ 4,423,411	
Investments & adv. to subsid.	14,555	—	
#Fixed assets	187,354	28,487	
Other assets	17,103	650	
Total Assets	\$ 11,319,305	\$ 4,452,548	
Liabilities			
Notes payable	\$ —	\$ 500,000	
Due to factor	—	251,898	
Long-term debt, curr.	690,671	166,667	
Accts payable	3,873,779	1,404,254	
Accruals	139,322	117,745	
Interest due on tax deficiencies	185,689	170,874	
Income taxes	633,517	342,301	

Coated Sales, Inc.

Curr. Liabilities	\$ 5,522,978	\$ 2,953,739
Long-term debt	632,643	527,222
+ Common stock	134,684	100,000
Add. paid-in capital	3,587,346	95,000
Retained earnings	1,549,154	871,587
Indemnification receivable	(107,500)	(95,000)

Total Liabilities & Shareholders' Equity	\$ 11,319,305	\$ 4,452,548
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* At lower of cost (FIFO) or market.
 # Less accumulated depreciation and amortization.
 + \$0.01 par value.

Statistical Summary		
%Income bef. Taxes to Sales	4.70	4.56
%Net Income to Sales	2.47	2.51
%Net Income to Equity	13.12	46.96
Sales to Inventories	3.20	4.91
Debt to Equity	0.26	1.49
Working Capital	\$5,577,315	\$1,469,672
Current Ratio	2.01	1.50
Shareholders' Equity	\$5,163,684	\$ 971,587

Colgate-Palmolive Company

300 Park Avenue
 New York, New York 10022
 (212) 310-2000

Officers: Keith Crane, chairman of the board; Reuben Mark, president & chief exec. officer; Roderick L. Turner, sr. exec. v.p. & chief of operations-specialty marketing; Paul Jones exec. v.p. & chief financial officer; William S. Shanahan, J. Dale Sherratt, John M. Watkins, sr. exec. v.p.'s; Silas M. Ford, sr. v.p.; Jules Blake, Benjamin C. Davis, Jr., Peter D. McLeod, v.p.'s; Harold Obstler, v.p. gen. counsel & secretary; William G. Cooling, group v.p.; Thomas J. Volpe, v.p. & treasurer; Robert M. Agate, v.p. & controller; A. Courtenay Shepard, v.p. & gen. mgr.-Colgate-U.S.

Directors: Keith Crane, Vernon R. Alden, John P. Kendall, Frank Pace, Jr., Howard W. Blauvelt, Albert V. Casey, Reuben Mark, Howard B. Wentz, Jr., Jill K. Conway, John B. Carter, Thomas R. Wilcox.

Business Activities: Engaged in the manufacture and marketing of household and personal care products, cosmetics, foods, specialty consumer products, health care and industrial products, and athletic equipment. A subsidiary, The Kendall Company, manufactures disposable non-woven fabrics, surgical dressings, bandages, disposable diapers, disposable non-woven fabric surgical gowns, urological products, cotton balls, adhesive tape, sterile pads, support and anti-embolism stockings, pipeline coating systems, infant clothing and bedding, elastic supports, gauze sponges, industrial tapes, sports uniforms and supplies, and other textile products.

Textile Trademarks and/or Brand Names Curad, Cunty, Etonic, Tretorn, Fred Perry, Southern Athletic, Telfa, Tape-Tap, Nelson, Bike, Victoriaville, Polyken.

Textile Subsidiaries:

The Kendall Company
 Boston, Massachusetts
 (617) 482-3030

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
 30 West Broadway
 New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CL

	Sales and Earnings	
	Net Sales ‡ (000's)	Net Income ‡ (000's)
1985	\$ 4,523,678	\$ 109,442
1984	4,369,179	71,550
1983	4,278,849	197,834
1982	4,334,695	196,910
1981	4,614,259	208,399

	No. of Com. Shares	Earn. per Share †
1985	70,659,000	\$ 1.39
1984	83,009,000	0.86
1983	82,010,000	2.42
1982	81,957,000	2.41
1981	81,946,000	2.55

‡ Of continuing operations only.
 † Based on the average number of shares outstanding.

Revenues By Line of Business (000's)		
	1985	1984
Household & personal care	\$ 3,427,406	\$ 3,368,959
Health care & industrial	812,701	756,644
Specialty consumer	283,571	243,576
Total	\$ 4,523,678	\$ 4,369,179

Common Stock		
	Cash Dividend	Stock Dividend
1985	\$1.32	—
1984	1.28	—
1983	1.28	—
1982	1.20	—
1981	1.16	—

Common Stock Equity		
	Total Equity ‡	Equity Per Share
1985	\$ 894,486,000	\$ 12.66
1984	1,219,422,000	14.69
1983	1,329,090,000	16.21
1982	1,308,746,000	15.97
1981	1,285,340,000	15.69

‡ After allowing for preferred stock at stated value.

Income Account * (000's)		
Year ended Dec. 31	1985	1984
Net sales	\$ 4,523,678	\$ 4,369,179
Cost of sales	2,680,693	2,616,772
Expenses	1,566,227	1,482,373
Prov. for restruc. oper.	—	174,000
Interest expense	53,908	51,061
Interest income	(43,291)	(52,260)
Earn. from eq. invest.	(9,314)	—
Income before taxes	\$ 275,455	\$ 97,283
Income taxes	107,654	54,615
Inc. - cont. oper.	\$ 167,801	\$ 42,668
Inc. (loss) - discont. oper.	(58,359)	28,882
Net Income	\$ 109,442	\$ 71,550

* Included in Costs and Expenses, Depreciation and Amortization; \$72,228,000 in 1985 and \$60,764,000 in 1984.

Assets (000's)		
As of Dec. 31	1985	1984
Cash	\$ 39,240	\$ 23,134
Investments	220,221	328,564
Receiv., net	543,880	523,308
*Inventories	616,067	676,741
Other curr. assets	101,907	71,304
Net assets - disc. oper.	132,256	—
Current Assets	\$ 1,653,571	\$ 1,623,051
Fixed assets	978,273	814,784
Other assets	182,161	130,508
Total Assets	\$ 2,814,005	\$ 2,568,343

Liabilities (000's)		
Notes & loans payable	\$ 336,323	\$ 118,902
Long-term debt, curr.	30,579	22,137
Accts. payable	348,550	306,772
Accruals	374,475	317,275
Accrued inc. taxes	45,656	51,161

Curr. Liabilities	\$ 1,135,583	\$ 816,247
Long-term debt	529,255	282,371
Deferred liabilities	137,074	157,569
Deferred inc. taxes	105,045	80,165
+ Preferred stock	12,562	12,569
+ + Common stock	83,211	83,009
Add. paid-in capital	114,070	109,644
Retained earnings	1,342,036	1,333,883
Cum. for curr. trans. adjust.	(273,582)	(307,114)
Treasury stock	(371,249)	—
Total Liabilities & Shareholders' Equity	2,814,005	2,568,343

* At lower of cost (FIFO or LIFO) or market.
 + No par value. \$4.25 series, cumulative; \$3.00 series, convertible.
 + + \$1 par value.

Statistical Summary		
%Net Income to Equity	12.07	5.81
Sales to Inventories	7.34	6.46
Debt to Equity	0.99	0.34
Working Capital	\$517,988,000	\$ 806,804,000
Current Ratio	1.46	1.99
Shareholders' Equity	\$907,048,000	\$1,231,991,000

Collins & Aikman Corporation

210 Madison Avenue
 New York, New York 10016
 (212) 578-1200

Officers: Donald F. McCullough, chairman & chief executive officer; Alfred S. Crimmins, president; Charles H. Scherer, v.p., secretary & general counsel; John J. Hopkins, controller; Charles E. Doran, treasurer; William D. Armstrong, v.p. & president-Wallcoverings Group; Warren B. Irwin, v.p. & president-Automotive Division; Andrew Major, v.p. & president-Decorative Fabrics Division.

Directors: William D. Armstrong, Alfred Brittain III, Milton P. Brown, Raymond B. Carey, Jr., Donald F. McCullough, Francis C. Rooney, Jr., Robert S. Rubin, Alfred S. Crimmins, Robert W. McCullough, John H. Muller, Jr., Warren B. Irwin, Andrew Major.

Business Activities: Manufactures non-fabricated textile products, fabricated textile products, and wall coverings.

Textile Trademarks and/or Brand Names: Acclaim, Comfort Toe, Genius, Iron-Knit, Ironweave, Ironweave 2000, Panty Top, Tip Toe, Toe Seal, Twice As Nice, Brickworks, Cavi-Suede, Duranude, Sweet Song, Belviva, City Lights, Clear-Tex, Cloud Flannel, Cloud Puff, Colonnade, Comforlon, Crepe Chiffon, Furrsoft, Eligere, Great Suede, Leather By the Yard, Magnifique, Ms. Primavera, Pan-O-Play, Persianna, Powerbond, Primalon, Pro-Court, Pro-Gym, Pro-Ten Pure-knit, Rawlsilque, Sheeva, Silcrepe, Sockos, Starglan, Textiles, Twenty Karats, Ultra-Cavella, Ultra-Natural, Yarnovators, Vencedor Velour.

Divisions:

Automotive Division
 Albemarle, Faith, Old Fort & Troy City, North Carolina
 Clinton, Oklahoma
 Automotive and transportation, upholstery and carpet, industrial fabrics, recreation carpet and lining fabrics.

Fashion Fabrics Division
 Farmville, North Carolina
 Warp knit fabrics.

Floor Coverings Division
 Dalton, Georgia
 Broad loom carpeting, room-size rugs, commercial carpets.

Columbus Mills, Inc.

Cavel Division
Roxboro, North Carolina
Upholstery fabrics, toy plush, pile apparel fabrics, industrial fabrics, accent rugs, bedspreads.

Yarn Division
Norwood, Troy, Graham & Hickory, North Carolina
Spun and textured yarns and sewing threads.

Mastercraft Corporation
Spindale, Siler City & Concord, North Carolina
Upholstery fabrics.

Wallcoverings Division
Plattsburgh & Buffalo, New York
Hammond & New Castle, Indiana
Hopkinton, Rhode Island
Sherbrooke, Quebec
Wallcoverings.

Bath Fashions Division
Nashville, Tennessee
Bathroom carpeting, area rugs, shower curtains and accessories.

Collins & Aikman Inc.
Farnham & Lacolle, Quebec
Ingersoll & Elmira, Ontario
Automotive carpet, pile apparel fabrics, yarns.

Acquisition(s):
Berkley Wallcoverings Inc. (93% owned)
Sherbrooke, Quebec, Canada
Manufactures and distributes wallcoverings.

Transfer Agent(s):
The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CK

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1986	\$ 1,100,699	\$ 66,372
1985	1,040,373	62,692
1984	930,535	48,054
1983	682,947	23,116
1982	669,122	18,827
	No. of Com. Shares ‡	Earn. per Share ‡
1986	21,713,000	\$ 3.06
1985	21,566,060	2.91
1984	21,499,000	2.24
1983	21,014,000	1.10
1982	22,062,000	0.85

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1986	1985
Textiles:		
Fabricated	\$ 398,472,000	\$ 412,463,000
Non-Fabricated	503,508,000	464,565,000
Wallcoverings	226,008,000	191,585,000
Eliminations	(27,289,000)	(28,240,000)
Totals	\$1,100,699,000	\$ 930,535,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	\$0.72	—	—
1985	0.56	—	2-for-1
1984	0.45	—	—
1983	0.37	—	—
1982	0.36	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	\$ 343,209,000	\$ 15.81
1985	289,932,000	13.44
1984	240,736,000	11.20
1983	201,373,000	9.47
1982	189,101,000	8.72

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	3/1/86	3/2/85
Net sales	\$1,100,699,000	\$1,040,373,000
Cost of sales	848,358,000	813,408,000
Expenses	127,280,000	109,399,000
Interest expense	8,923,000	8,530,000
Income before taxes	\$ 116,138,000	\$ 109,036,000
Income taxes	49,766,000	46,344,000
Net Income	\$ 66,372,000	\$ 62,692,000

* Included in Costs and Expenses, Depreciation: \$27,383,000 in 1986 and \$21,974,000 in 1985.

Assets

As of	3/1/86	3/2/85
Cash & invest.	\$ 19,110,000	\$ 20,947,000
Accts. receiv., net	159,136,000	132,854,000
*Inventories	181,947,000	157,056,000
Prepaid expenses	9,317,000	6,328,000
Current Assets	\$ 369,510,000	\$ 317,185,000
#Fixed assets	233,084,000	199,385,000
Other assets	16,934,000	13,198,000
Total Assets	\$ 619,528,000	\$ 529,768,000

Liabilities

Long-term debt, curr.	\$ 4,593,000	\$ 2,116,000
Accts. payable & accruals	120,350,000	123,257,000
Dividends payable	4,357,000	—
Income taxes	3,554,000	7,338,000
Curr. Liabilities	\$ 132,854,000	\$ 132,711,000
Long-term debt	103,221,000	81,077,000
Deferred inc. taxes	31,579,000	22,535,000
Other liabilities	8,665,000	3,513,000
+ Common stock	19,067,000	19,067,000
Add. paid-in capital	8,350,000	6,836,000
Retained earnings	322,889,000	272,110,000
Cum. trans. adj.	(3,611,000)	(2,843,000)
Treasury stock	(3,486,000)	(5,238,000)
Total Liabilities & Shareholders' Equity	\$ 619,528,000	\$ 529,768,000

* Substantially all inventories are at lower of cost (FIFO) or market; remainder are at LIFO cost.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.55	10.48
%Net Income to Sales	6.03	6.03
%Net Income to Equity	19.34	21.62
Sales to Inventories	6.05	6.62
Debt to Equity	0.31	0.29
Working Capital	\$236,656,000	\$184,474,000
Current Ratio	2.78	2.39
Shareholders' Equity	\$343,209,000	\$289,932,000

Columbus Mills, Inc.

P.O. Box 1560
45th Street and River Road
Columbus, Georgia 31993
(404) 324-0111

Officers: George P. Swift, Jr., chairman of the board; W. John Dixon, president; Charles Parham, exec. v.p.; William P. McGuigan, v.p.-product planning & development; W.H. Parham, v.p.-purchasing; Gary W. Swanson, v.p.-Lotus Division; Marvin Youngerman, v.p. & dir. of mktg.; James T. Tapscott, secretary & treasurer.

Directors: George P. Swift, Jr., chairman; Cecil D. Conlee, Nimrod T. Frazer, John D. Hopkins, Joan Swift Conger, W. John Dixon, Richard H. Bickerstaff.

Areas of Work: Manufactures tufted broadloom carpets and rugs for residential and commercial use. The Company has manufacturing plants at four locations in Georgia and Alabama. Sales offices and showrooms are maintained in Atlanta, Chicago, Dallas, Denver, Los Angeles, San Francisco, Seattle, and Charlotte, N.C. The Company also invests in oil and gas exploration and has interests in a number of producing properties.

Divisions:

Lotus Division
Phenix City, Alabama
Manufactures and markets the "Lotus" line of carpets primarily designed for commercial use.

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COLM (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 145,754,991	\$ 9,955,259
1984	148,721,749	9,623,530
1983	121,166,662	7,367,323
1982	81,745,715	3,817,710
1981	83,524,807	3,180,823
	No. of Com. Shares	Earn. per Share ‡
1985	1,587,837	\$ 6.27
1984	1,587,837	6.05
1983	1,593,484	4.62
1982	1,580,099	2.37
1981	1,666,843	1.89

‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.05	—	—
1984	0.695	—	—
1983	0.475	—	—
1982	0.40	—	—
1981	0.34	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 50,024,514	\$ 31.50
1984	41,736,483	26.29
1983	33,374,160	20.94
1982	26,763,743	16.94
1981	24,203,817	14.52

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 145,754,991	\$ 148,721,749
Other income	914,042	423,393
Total income	\$ 146,669,033	\$ 149,145,147
Cost of sales	110,291,706	114,268,838
Expenses	17,343,086	16,370,819
Interest expense	282,982	475,955
Income before taxes	\$ 18,751,259	\$ 18,029,530
Income taxes	8,796,000	8,406,000
Net Income	\$ 9,955,259	\$ 9,623,530

Columbus Mills, Inc.

* Included in Costs and Expenses, Depreciation and Amortization: \$2,428,331 in 1985 and \$2,363,377 in 1984.

As of Dec. 31	1985	1984
Assets		
Cash	\$ 11,113,196	\$ 7,210,269
Accts. receiv., net	15,962,337	15,319,643
*Inventories	19,375,999	17,577,413
Prepaid expenses	39,468	35,391
Current Assets	\$ 46,491,000	\$ 40,142,716
#Fixed assets	23,008,030	14,683,599
Other assets	277,985	527,596
Oil and gas properties	7,796,098	6,371,167
Total Assets	\$ 77,573,113	\$ 61,725,078
Liabilities		
Long-term debt, curr.	\$ 843,744	\$ 819,023
Accts. payable	9,302,499	8,455,577
Emp. comp.	1,198,926	1,107,594
Income taxes	531,998	410,321
Other liab.	1,327,680	1,264,084
Current Liabilities	\$ 13,204,847	\$ 12,056,599
Long-term debt	8,922,552	3,766,296
Deferred compensation	300,000	150,000
Deferred inc. taxes	5,121,200	4,015,700
+ Common stock	1,587,837	1,587,837
Add. paid-in capital	1,309,915	1,309,915
Retained earnings	47,126,762	38,838,731
Total Liabilities & Shareholders' Equity	\$ 77,573,113	\$ 61,725,078

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	12.86	12.12
%Net Income to Sales	6.83	6.47
%Net Income to Equity	19.90	23.06
Sales to Inventories	7.52	8.46
Debt to Equity	0.20	0.11
Working Capital	\$33,286,153	\$28,086,117
Current Ratio	3.52	3.33
Shareholders' Equity	\$50,024,514	\$41,736,483

Concord Fabrics Inc.

1359 Broadway
New York, New York 10018
(212) 760-0300

Officers: Alvin Weinstein, chairman of the board; Frank Weinstein, vice chairman; Earl Kramer, president; Paul Cohen, David Silver, Mark Neugeboren, v.p.'s; Martin Wolfson, v.p. & treasurer; Joan Weinstein, secretary; Jack Tannenbaum, asst. treasurer; Donald Birgeles, asst. secretary.

Directors: Alvin Weinstein, chairman; Frank Weinstein, George Schor, George Gleitman, Martin Wolfson, Kenneth Starr, Earl Kramer.

Business Activities: A textile converter, fabricates, styles, and markets fabrics and produces and sells knitted and woven fabrics with manufacturing facilities in Milledgeville and Washington, Georgia. Also is engaged in the distribution of computer software and paper products.

Subsidiaries and Divisions

Eastern Software Distributors, Inc.
3904 Hickory Avenue
Baltimore, Maryland 21211
Home Sewing Division.

Plant Location(s):

Milledgeville & Washington, Georgia.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: CIS

Sales and Earnings		
	Net Sales	Net Income †
1985	\$ 110,252,133	\$ 76,222
1984	116,168,100	3,148,762
1983	84,322,014	1,381,969
1982	82,700,871	851,926
1981	93,858,751	1,955,636
	No. of Com. Shares #	Earn. per Share #†
1985	1,782,531	\$ 0.04
1984	1,782,531	1.77
1983	1,782,531	0.78
1982	1,782,531	0.48
1981	1,782,531	1.10

† Including extraordinary gain of \$740,000 (\$0.42 per share) in 1981.

Based on the average number of shares outstanding.

Common Stock Equity		
	Total Equity	Equity Per Share
1985	\$ 23,663,336	\$ 13.27
1984	23,587,114	13.23
1983	20,438,352	11.47
1982	19,056,383	10.69
1981	18,204,457	10.21

Income Account *		
Year ended	9/1/85	9/2/84
Net sales	\$ 110,252,133	\$ 116,168,100
Cost of sales	91,842,004	92,137,036
Expenses	16,676,389	16,362,612
Prov. for doubtful accts.	388,000	270,000
Interest expense	1,253,518	1,272,690
Income before taxes	\$ 62,222	\$ 6,125,762
Income taxes (credit)	(14,000)	2,977,000
Net Income	\$ 76,222	\$ 3,148,762

* Included in Costs and Expenses, Depreciation: \$719,175 in 1985 and \$747,553 in 1984.

Assets		
As of	9/1/85	9/2/84
Cash	\$ 709,838	\$ 858,364
Accts. receiv., net	16,993,884	19,507,378
*Inventories	14,130,259	17,908,058
Prepaid expenses	2,096,864	1,280,827
Due from officers	10,000	10,000
Def. income taxes	328,000	207,000
Current Assets	\$ 34,268,845	\$ 39,771,627
#Fixed assets	4,135,144	3,369,969
Due from officer	172,955	175,817
Other assets	182,764	387,993
Intangibles	601,225	633,290
Total Assets	\$ 39,360,933	\$ 44,338,696

Liabilities		
Notes payable	\$ 2,575,000	\$ 5,275,000
Accts. payable	7,406,233	7,305,017
Accruals	1,709,254	2,705,772
Income taxes	126,110	900,793
Current Liabilities	\$ 11,816,597	\$ 16,186,582
Long-term debt	3,100,000	3,875,000
Deferred inc. taxes	781,000	690,000
+ Common stock	1,782,531	1,782,531
Add. paid-in capital	8,988,929	8,988,929
Retained earnings	12,891,876	12,815,654
Total Liabilities & Shareholders' Equity	\$ 39,360,933	\$ 44,338,696

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.06	5.27
%Net Income to Sales	0.07	19.48
%Net Income to Equity	0.32	13.35
Sales to Inventories	7.80	6.49
Debt to Equity	0.24	0.39
Working Capital	\$24,452,248	\$23,585,045
Current Ratio	2.90	2.46
Shareholders' Equity	\$23,663,336	\$23,587,114

Consoltox Canada Inc.

(formerly Consolidated Textile Mills Limited)

125 Chabanel Street West
Montreal, Quebec, Canada
H2P 2V9
(514) 382-1811

Officers: Tass Grivakes, chairman of the board; John F. Trickett, president; Marcel Thibault, v.p. & gen. mgr. -Outerwear Division; L. Michielli, v.p. & gen. mgr. -fashion division; P.G.M. Cox, v.p. -finance; Barry E. Yager, secretary & treasurer; Corrin A. Lazaru, controller.

Directors: Jack Greenstein, Tass G. Grivakes, John F. Trickett, P.G.M. Cox, L. Michielli, M. Thibault, D. Alliance.

Business Activities: Specializes in weaving, double knitting, dyeing, finishing and printing of nylon, polyester and mixed fabrics for the cutting; jobbing and industrial trades. Home furnishing subsidiary manufactures curtains, drapes and bedspreads.

Plant Location(s):

Drummondville, Montmagny, Cowansville, St. Laurent, Sherbrooke & Coaticook, Quebec; Alexandria, Ontario.

Trademarks and/or Brand Names:

Maison Condelle, Consoltox, Schuss, Artic Armor, Ski-Slope, Futura, Bruck.

Subsidiaries:

Consoltox Inc.
125 Chabanel Street West
Montreal, Quebec

Comptoir Manufacturier de Textile Ltee.
125 Chabanel Street West
Montreal, Quebec

Condelle House Ltd.
125 Chabanel Street West
Montreal, Quebec

Transfer Agent(s):

Canada Permanent Trust Company
600 Dorchester Boulevard West
Montreal, Quebec, Canada H3B 1N6

20 Eglinton Avenue West
Toronto, Ontario, Canada M4R 2E2

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CTXM (Montreal) CTXT (Toronto)

Sales and Earnings		
	Net Sales	Net Income †
1985	\$ 128,318,000	\$ 4,635,000
1984	129,902,000	4,260,000
1983	123,001,000	4,587,000
1982	107,578,000	(5,517,000)
1981	118,347,000	247,000
	No. of Com. Shares ‡	Earn. per Share †‡
1985	2,899,309	\$ 1.60
1984	2,899,309	1.47
1983	2,899,309	1.58
1982	2,899,309	—
1981	2,899,309	0.09

(Loss)

† Including extraordinary gains of \$186,000 (\$0.07 per share) in 1985, \$629,000 (\$0.22 per share) in 1984 and \$1,016,000 (\$0.35 per share) in 1983.

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 47,027,000	\$ 16.22
1984	42,392,000	14.62
1983	38,132,000	13.15
1982	33,545,000	11.57
1981	39,062,000	13.47

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 128,318	\$ 129,902
Cost of sales & expenses	116,177	119,199
Depreciation	2,719	2,684
Interest expense	3,245	3,753
Inc. bef. taxes	\$ 6,177	\$ 4,266
Income taxes	1,728	635
Net Income	\$ 4,449	\$ 3,631
Extraord. gain	186	629
Net Income & extraord. gain	\$ 4,635	\$ 4,260

Assets
(000's)

	1985	1984
Cash	\$ 84	\$ 137
Accts. receiv., net	20,241	21,815
*Inventories	47,206	46,014
Current Assets	\$ 67,531	\$ 67,966
#Fixed assets	18,676	19,517
Intangibles	1,706	1,706
Total Assets	\$ 87,913	\$ 89,189

Liabilities
(000's)

	1985	1984
Bank loans & accept.	\$ 13,298	\$ 16,062
Long-term debt, curr.	2,000	3,201
Accts. payable & accruals	13,574	12,652
Oblig. under cap. leases, curr.	677	601
Curr. Liabilities	\$ 29,549	\$ 32,516
Long-term debt	9,000	11,000
Oblig. under cap. leases	2,306	2,983
Deferred inc. taxes	31	298
+ Common stock	16,449	16,449
Retained earnings	30,578	25,943
Total Liabilities & Shareholders' Equity	\$ 87,913	\$ 89,189

* At lower of cost, replacement cost and net realizable value.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.81	3.28
%Net Income to Sales	3.47	2.80
%Net Income to Equity	9.46	8.57
Sales to Inventories	2.72	2.82
Debt to Equity	0.58	0.80
Working Capital	\$37,982,000	\$35,450,000
Current Ratio	2.29	2.09
Shareholders' Equity	\$47,027,000	\$42,392,000

Crown Crafts, Inc.

Edmond Street
Calhoun, Georgia 30701
(404) 629-7941

Mailing Address:

P.O. Box 371
Calhoun, Georgia 30701

Officers: Michael H. Bernstein, president & chief exec. officer; Philip Bernstein, chairman of the board & secretary; P.A. Criscillis, Jr., v.p.-finance; Rudolph J. Schmatz, v.p.-sales; Lewis S. Andrews, v.p.-manufacturing.

Directors: Philip Bernstein*, chairman; Michael H. Bernstein*, Rudolph J. Schmatz, Cal Watford, Robert Zimmer, Lewis S. Andrews, Alfred M. Swiren.

* Member of the Executive Committee.

Business Activities: Engaged in the production of flocked crushed velvet bedspreads and draperies, tufted and woven bedspreads and comforters and accessories. Operates two factory outlet stores in Calhoun, Georgia, and Chicago, Illinois.

Trademarks and/or Brand Names: Crown, Crown Crafts.

Plant Location(s): Roxboro, North Carolina; Calhoun & Dalton, Georgia.

Subsidiaries:

Crown Crafts Home Furnishings, Inc.
339 Fifth Avenue
New York, New York 10016
(212) 725-1520

Crown Crafts Home Furnishings of Illinois, Inc.
Merchandise Mart, Room 1089
Chicago, Illinois 60654
(312) 822-0430

Transfer Agent(s):

Trust Company of Georgia
Atlanta, Georgia

Stock Exchange(s): American

Ticker Symbol: CRW

Sales and Earnings

	Net Sales	Net Income
1985	\$ 33,606,000	\$ (348,000)
1984	25,891,000	808,000
1983*	18,601,000	(338,000)
1982	22,858,000	116,000
1981	23,448,000	172,000

No. of Com. Shares +

	Earn. per Share +
1985	\$ —
1984	1.11
1983*	—
1982	0.17
1981	0.25

(Loss)

* 53 weeks

+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 7,363,000	\$ 10.01
1984	7,682,000	10.51
1983	6,874,000	9.97
1982	7,234,000	10.41
1981	7,118,000	10.24

‡ Based on the average number of shares outstanding.

Income Account *

Year ended	3/31/85	4/1/84
Net sales	\$ 33,606,000	\$ 25,891,000
Cost of sales	27,787,000	20,416,000
Expenses	5,060,000	3,788,000
Interest expense	1,169,000	469,000
Prov. for plant closing	278,000	—
Income (loss) before taxes	\$ (688,000)	\$ 1,218,000
Income taxes (credit)	(340,000)	410,000
Net Income (Loss)	\$ (348,000)	\$ 808,000

* Included in Costs and Expenses, Depreciation and Amortization: \$981,000 in 1985 and \$881,000 in 1984.

Assets

As of	3/31/85	4/1/84
Cash	\$ 168,000	\$ 119,000
Due from factor	5,662,000	5,239,000
Accts. & note receivable, net	396,000	203,000
*Inventories	8,413,000	8,920,000
Deposits	—	585,000
Prepaid expenses	51,000	27,000
Current Assets	\$ 14,690,000	\$ 15,093,000
#Fixed assets	5,844,000	5,723,000
Other assets	48,000	33,000
Notes receivable	384,000	478,000
Total Assets	\$ 20,966,000	\$ 21,327,000

Liabilities

	3/31/85	4/1/84
Notes payable	\$ 2,800,000	\$ 2,050,000
Long-term debt, curr.	314,000	342,000
Accts. payable	2,355,000	3,133,000
Accruals	997,000	965,000
Total Curr. Liabilities	\$ 6,466,000	\$ 6,490,000
Long-term debt	6,588,000	6,400,000
Deferred inc. taxes	32,000	310,000
Other list.	517,000	445,000
+ Common stock	807,000	807,000
Add. paid-in capital	432,000	432,000
Retained earnings	6,601,000	6,949,000
Treasury stock	(334,000)	(331,000)
Loans receivable	(143,000)	(175,000)
Total Liabilities & Shareholders' Equity	\$ 20,966,000	\$ 21,327,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.70
%Net Income to Sales	—	3.12
%Net Income to Equity	—	10.52
Sales to Inventories	3.99	2.90
Debt to Equity	1.32	1.14
Working Capital	\$8,224,000	\$8,603,000
Current Ratio	2.27	2.33
Shareholders' Equity	\$7,363,000	\$7,682,000

CrownAmerica, Inc.

701 Chattanooga Avenue
Dalton, Georgia 30720
(404) 278-1422

Officers: David D. Hamilton, president; E. Dean Smith, v.p.; G. Lane Hamilton, secretary & treasurer; Jean I. Nations, asst. secretary.

Directors: David D. Hamilton, G. Lane Hamilton, William C. Bowen, III, H. Eugene Kinney, James H. Patton, IV.

Business Activities: Engaged in the production and processing of yarn for the carpet industry.

CrownAmerica, Inc.

Plant Location(s): Dalton & Valdosta, Georgia; Newport, South Wales; Heerlen, The Netherlands.

Subsidiaries:

Texture-Tex, Inc.

Dalton & Valdosta, Georgia

Engaged in the processing of heat-set filament and spun yarn for the carpet industry.

Dalton Warehouse Services, Inc.

Dalton, Georgia

Warehouse and leasing subsidiary

Texture-Tex (Europe) B.V.

Heerlen, The Netherlands

Processing of synthetic yarn

Texture-Tex (Europe) Ltd. (70% owned)

Newport, South Wales

United Kingdom

Engaged in the processing of heat-set filament and spun yarn for the carpet industry.

Transfer Agent(s):

First Tennessee Bank

Memphis, Tennessee

Stock Exchange(s):

Over-the-Counter

Ticker Symbol:

CRNA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 60,750,633	\$ 398,375
1984	58,153,031	2,067,750
1983	49,309,436	532,839
1982	28,279,724	(1,119,624)
1981	49,024,017	715,518

	No. of Com. Shares #	Earn. per Share #
1985	1,167,096	\$ 0.34
1984	1,191,949	1.73
1983	1,200,226	0.44
1982	1,208,716	—
1981	1,210,088	0.60

† Includes processing income.

Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.25	—	—
1984	0.455	—	—
1983	0.12	—	—
1982	0.12	—	—
1981	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 13,334,430	\$ 11.43
1984	13,291,763	11.15
1983	12,080,537	10.07
1982	11,696,758	9.68
1981	13,021,917	10.76

† Based on the average number of shares outstanding.

Income Account *

Year ended Aug. 31	1985	1984
Net sales & processing income	\$ 60,750,633	\$ 58,153,031
Cost of sales	56,169,887	52,478,654
Expenses	3,494,467	2,896,659
Prov. for doubtful accounts	190,360	130,250
Gain on sale of equip.	(6,041)	(51,422)
Interest expense	710,594	540,506
Interest income	(294,137)	(381,292)
Other expense (income)	(104,991)	23,620
Selec. fin. assist. grant	(84,024)	(300,906)

Inc. bef. taxes	\$ 674,518	\$ 2,816,962
Inc. taxes	276,143	612,994
Minority interest	—	136,218
Net Income	\$ 398,375	\$ 2,067,750

* Included in Costs and Expenses, Depreciation: \$1,656,182 in 1985 and \$1,480,162 in 1984.

	Assets	
As of Aug. 31	1985	1984
Cash	\$ 1,073,148	\$ 675,465
Short-term investments	1,759,165	3,955,921
Accts. receiv., net	9,263,444	6,791,724
*Inventories	3,890,988	3,854,655
Prepaid expenses	513,018	396,069
Refundable inc. taxes	254,365	—
Current Assets	\$ 16,754,128	\$ 15,598,263
#Fixed assets	13,985,290	9,504,045
Other assets	156,391	133,865
Total Assets	\$ 31,255,809	\$ 25,236,173

	Liabilities	
Notes payable	\$ 3,841,053	\$ —
Long-term debt, curr.	792,105	712,769
Accts. payable	6,461,183	7,176,710
Accrued compensation	272,104	101,750
Accrued profit sharing	—	150,000
Accruals	711,439	369,402
Deferred income taxes	66,196	—
Income taxes	—	78,592
Curr. Liabilities	\$ 12,144,080	\$ 8,589,223
Long-term debt	4,913,569	4,255,331
Deferred income taxes	863,730	730,142
Minority interest	—	299,547
+ Common stock	2,600,000	2,600,000
Add. paid-in capital	1,152,353	1,152,353
Retained earnings	10,530,393	10,425,769
Treasury stock	(910,434)	(744,809)
Eq. adjust. from foreign curr. trans.	(37,882)	(141,550)
Total Liabilities & Shareholders' Equity	\$ 31,255,809	\$ 27,166,006

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ No par value; \$2 stated value.

Statistical Summary

%Income before Taxes to Sales	1.11	4.84
%Net Income to Sales	0.66	3.56
%Net Income to Equity	2.99	15.56
Debt to Equity	0.72	0.37
Working Capital	\$4,610,048	\$ 7,084,611
Current Ratio	1.38	1.82
Shareholders' Equity	\$13,334,430	\$13,291,763

Crystal Brands, Inc.

1411 Broadway
New York, New York 10018
(212) 869-8900

Officers: Richard F. Kral, chairman of the board & chief exec. officer; Richard A. Baker, president-Menswear; Gerald M. Chaney, v.p. & controller; Edward B. Bailey, v.p. & chief financial officer; Jane Evans, president-Monet; Stanley C. Gillette, president-Womenswear; Marvin Lord, president-Youthwear; Michael B. McLearn, v.p., general counsel & secretary; Charles J. Smith, group v.p.; James D. Wilson, v.p.-human resources.

Directors: Richard F. Kral, chairman; John M. Mullin, III, William A. Andres, E. Robert Kinney, Ronald E. Ferguson.

Business Activities: Manufactures and markets men's, women's, and children's apparel under the Izod, Lacoste,

Ship'n Shore, and Haymaker brands, and costume jewelry and accessories under the brand names Monet, Yves St. Laurent and Evoke. Also operates 45 retail stores and factory outlets that sell excess and out-of-season apparel.

Trademarks and/or Brand Names: Izod, Lacoste, Haymaker, Ship'n Shore, Silken Wonder, Ship'n Shore for Me, Inner Visions, Tri-Way.

Plant Locations: Baxley, Georgia; Corozal, Dorado, Puerto Rico; High Point, North Carolina; Pawtucket, Warwick, Rhode Island; Reading, Pennsylvania; San Pedro, Dominican Republic; Travelers Rest, South Carolina.

Divisions and Subsidiaries:

Izod, Ltd. (men's, women's and children's sportswear)

Haymaker Sports, Inc. (women's sportswear)

Fashion Flair, Inc. (retail operations)

Ship'n Shore, Inc.

Bridgewater-at-Aston

Aston, Pennsylvania 19014

(215) 494-2000

Apparel for women.

Monet

P.O. Box 376

Murray Hill Station

New York, New York 10016

(212) 725-4700

Fashion jewelry.

Transfer Agent(s):

The Bank of New York

19 Rector Street

New York, New York 10015

Stock Exchange(s):

New York

Ticker Symbol:

CBR

Sales and Earnings

	Net Sales	Net Income
1985	\$ 481,900,000	\$ (43,400,000)
1984	515,000,000	12,700,000
1983	545,400,000	36,700,000
1982	569,300,000	48,300,000
1981	501,800,000	47,600,000

	No. of Com. Shares †	Earn. per Share †#
1985	8,940,000	\$ —

(Loss)

General Mills, Inc. is divesting its fashion business by distributing the common stock of Crystal Brands, Inc. on a pro rata basis to the holders of General Mills common stock. Per share figures are computed based on the average number of General Mills shares outstanding and a distribution of 0.2 shares of Crystal stock for each share of General Mills stock.

† Pro forma.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 215,475,000	\$ 24.10
1984	273,642,000	—

Income Account *

Year ended	5/26/85	5/27/84
Net sales	\$ 481,930	\$ 514,955
Cost of sales	374,525	322,504
Expenses	157,695	158,757
Redeployment expense	27,984	5,708
Interest expense	10,895	8,914
Inc. (loss) bef. taxes	\$ (89,169)	\$ 19,072
Income taxes (credit)	(45,797)	6,331
Net Income (Loss)	\$ (43,372)	\$ 12,741

* Included in Costs and Expenses, Depreciation and Amortization: \$9,190,000 in 1985 and \$8,113,000 in 1984.

Assets (000's)		
As of	5/26/85	5/27/84
Cash & short-term investments	\$ 814	\$ 1,098
Accts. receiv., net	63,192	67,694
Deferred inc. taxes	9,127	—
*Inventories	111,171	163,465
Prepaid expenses	1,286	2,684
Current Assets	\$ 185,590	\$ 234,941
Investments & other assets	2,533	1,316
#Fixed assets	47,442	62,102
Intangibles	39,701	42,459
Total Assets	\$ 275,266	\$ 340,818
Liabilities (000's)		
For. notes payable	\$ 5,481	\$ 7,712
Accts. payable	30,639	40,231
Accrued taxes	1,053	1,161
Accrued payroll	8,859	9,758
Deferred income taxes	—	1,131
Prov. for deployment	6,779	1,050
Other curr. liabilities	936	1,550
Current Liabilities	\$ 53,747	\$ 62,593
Deferred inc. taxes	4,179	2,806
Other liabilities	1,865	1,777
Equity:		
Invest. by & adv. from Gen. Mills	215,452	273,613
Cum. for. curr. trans.	23	29
Total Liabilities & Shareholders' Equity	\$ 275,266	\$ 340,818

* At lower of cost (FIFO) or market; certain domestic inventories at LIFO.

Less accumulated depreciation.

Statistical Summary		
%Income bef. Taxes to Sales	—	3.70
%Net Income to Sales	—	2.47
%Net Income to Equity	—	4.66
Sales to Inventories	4.34	3.15
Working Capital	\$131,843,000	\$172,348,000
Current Ratio	3.45	3.75
Shareholders' Equity	\$215,475,000	\$273,642,000

Culp, Inc.

2020 Logan Street
High Point, North Carolina 27263
(919) 889-5161

Officers: Robert G. Culp, Jr., chairman of the board & chief exec. officer; Robert G. Culp, III, president & chief operating officer; Howard L. Dunn, Jr., v.p.-mfg. & product development; Franklin N. Saxon, v.p., chief financial officer, treasurer & asst. secretary; Charles R. Bowers, v.p.-upholstery fabric sales; Sharyn M. Andrews, v.p. & secretary.

Directors: Robert G. Culp, Jr., chairman; Donald W. Coleman, Robert G. Culp, III, Howard L. Dunn, Jr., Larry S. Coltrain, Theodore W. Koetter, Jr., Earl M. Honeycutt.

Business Activities: Manufactures and distributes upholstery fabrics (woven, prints, woven velvets and tufted velvets), mattress tickings and internal construction fabrics for use primarily in the home furnishings and related industries.

Plant Location(s): Monroe, Burlington and Graham, North Carolina; Anderson, South Carolina.

Subsidiaries:

Culp Woven Velvets, Inc.
Anderson, South Carolina
Woven velvet manufacturing.

Culp Weaving, Inc.
Graham, North Carolina
Production of dobby and jacquard upholstery materials and damask mattress ticking.

Transfer Agent(s):

First Union National Bank
First Union Plaza
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CULP (NASDAQ)

Sales and Earnings		
	Net Sales	Net Income
1985	\$ 131,374,000	\$ 3,622,000
1984	130,930,000	3,705,000
1983	93,901,000	3,779,000
1982	65,281,000	2,172,000
1981	48,821,000	1,816,000
	No. of Com. Shares	Earn. per Share
1985	4,335,848	\$ 0.84
1984	3,911,079	0.95
1983	3,104,472	1.22
1982	3,049,208	0.71
1981	2,938,964	0.62

† Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock		
	Cash Dividend	Stock Dividend
1985	\$0.08	—
1984	0.02	—

Common Stock Equity		
	Total Equity	Equity Per Share
1985	\$ 32,623,000	\$ 7.52
1984	29,340,000	7.50
1983	12,678,000	4.08
1982	8,699,000	2.85
1981	6,386,000	2.17

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account * (000's)		
Year ended	4/27/85	4/28/84
Net sales	\$ 131,374	\$ 130,930
Cost of sales	102,950	104,031
Expenses	19,877	18,333
Interest expense	989	1,564
Other expense	694	268
Income before taxes	\$ 6,864	\$ 6,734
Income taxes	3,143	2,925
Minority interest	99	104
Net Income	\$ 3,622	\$ 3,705

* Included in Costs and Expenses, Depreciation \$2,316,000 in 1985 and \$1,670,000 in 1984.

Assets (000's)		
As of	4/27/85	4/28/84
Cash	\$ 7	\$ 6
Accts. receiv., net	21,398	22,445
Refundable taxes	—	593
*Inventories	22,757	20,335
Prepaid expenses	471	207
Current Assets	\$ 44,633	\$ 43,586
Investment in market secur.	—	1,224
#Fixed assets	15,620	10,526
Other assets	738	186
Total Assets	\$ 60,991	\$ 55,522

Liabilities (000's)		
Notes payable	\$ 750	\$ 350
Long-term debt, curr.	714	1,030
Accts. payable	11,551	10,189
Accruals	4,790	3,647
Income taxes	488	—
Deferred income taxes	140	102
Current Liabilities	\$ 18,433	\$ 15,318
Long-term debt	8,574	10,148
Minority interest	443	233
Deferred comp.	460	267
Deferred inc. taxes	458	216
+ Common stock	217	217
Add. paid-in capital	14,414	14,414
Unearned comp. - stock option	(266)	(275)
Retained earnings	18,282	15,008
Treasury stock	(24)	(24)
Total Liabilities & Shareholders' Equity	\$ 60,991	\$ 55,522

* At lower of cost (primarily LIFO) or market.

Less accumulated depreciation.

+ \$0.05 par value.

Statistical Summary		
%Income bef. Taxes to Sales	5.22	5.14
%Net Income to Sales	2.80	2.83
%Net Income to Equity	11.26	12.63
Sales to Inventories	5.77	6.44
Debt to Equity	0.31	0.39
Working Capital	\$26,200,000	\$28,268,000
Current Ratio	2.42	2.85
Shareholders' Equity	\$32,623,000	\$29,340,000

CWC Industries Inc.

512 Seventh Avenue
New York, New York 10018
(212) 354-5200

Officers: Robert Weinstein, president & treasurer; Norman Burd, vice president; Joan Weinstein, secretary; Sol Baum, controller.

Directors: Robert Weinstein, Norman Burd, Joan Weinstein, Sol Baum.

Business Activities: Designs, manufactures and sells ready-to-wear ladies' coats, all-weather coats, suits and coordinate ensembles in the medium-price range, including casual wear, sportswear and trimmed and untrimmed coats. Markets its apparel lines under the names, "Charles Weinstein Coat Co., Inc.", "Central Park", "Central Park Zoo", "Aquamates", and "Half's 'N Talls," mostly in misses and junior sizes.

Divisions and Subsidiaries:

Central Park
Central Park Zoo
Charles Weinstein Coat Co., Inc.
Half's 'N Talls
Aquamates

All at:
512 Seventh Avenue
New York, New York 10018

Rexmoor Modes, Inc.
12 Horizon Boulevard
South Hackensack, New Jersey 07606
Operates a retail store which sells surplus inventory, irregulars and surplus piece goods.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
19 Rector Street
New York, New York 10006

Stock Exchange(s): Over-the-Counter

CWC Industries Inc.

Sales and Earnings

	Net Sales	Net Income
1985	\$ 10,477,690	\$ 98,099
1984	11,672,382	75,940
1983	13,986,705	145,762
1982	13,051,134	91,282
1981	14,380,277	50,972

	No. of Com. Shares	Earn. Per Share ‡
1985	412,182	\$ 0.24
1984	412,182	0.18
1983	412,182	0.35
1982	425,182	0.21
1981	425,182	0.12

‡ Based on the average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 1,653,298	\$ 4.01
1984	1,555,199	3.77
1983	1,479,259	3.59
1982	1,340,647	3.15
1981	1,249,365	2.94

Income Account

Year Ended Dec. 31	1985	1984
Net sales	\$ 10,477,690	\$ 11,672,382
Cost of sales	8,491,920	9,628,687
Expenses	1,722,729	1,775,208
Interest expense	102,346	146,246
Income before taxes	\$ 160,695	\$ 122,241
Income taxes	62,596	46,301
Net Income	\$ 98,099	\$ 75,940

As of Dec. 31	1985	1984
Cash	\$ 235,683	\$ 179,945
Accts. receiv., net	1,486,889	1,240,403
*Inventories	719,360	974,286
Inc. tax refund	—	62,839
Prepaid expenses	42,130	32,603
Loans receivable	4,214	4,214
Current Assets	\$ 2,488,276	\$ 2,494,290
#Fixed assets	161,417	145,718
Other assets	52,645	52,013
Total Assets	\$ 2,702,338	\$ 2,692,021

Liabilities	1985	1984
Bank acceptances	\$ 202,358	\$ —
Notes payable	427,200	503,700
Accts. payable	270,833	387,772
Accruals	123,221	244,933
Income taxes	25,428	417
Curr. Liabilities	\$ 1,049,040	\$ 1,136,822
+ Common stock	4,497	4,497
Add. paid-in capital	588,658	588,658
Retained earnings	1,095,027	996,928
Treasury stock	(34,844)	(34,884)
Total Liabilities & Shareholders' Equity	\$ 2,702,338	\$ 2,692,021

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.53	1.05
%Net Income to Sales	0.94	0.65
%Net Income to Equity	5.93	4.88
Sales to Inventories	14.57	11.98
Working Capital	\$1,439,236	\$1,357,468
Current Ratio	2.37	2.19
Shareholders' Equity	\$1,653,298	\$1,555,199

Damon Creations, Inc.

16 East 34th Street
New York, New York 10016
(212) 683-2465

Officers: David Rappaport, chairman of the board; Michael Rappaport, president & chief executive officer; Frances Rappaport, secretary; Charles Dratt, v.p. & president-Mirell division; Richard Rappaport, v.p.; Harold Hoskins, v.p.-operations & mfg.; Richard Morse, v.p.-finance & treasurer; Lawrence Weinstein, v.p. & president-furnishings division; Rocco D'Antonio, v.p.-Bill Blass sales; Martin Lewis, v.p.-administrative merchandise manager; Steven Meisel, v.p. & president-sportswear division; Angelo Fusaro, controller; A.S. Neiman, v.p.-knitwear merchandising-Bill Blass; Phyllis Gray, v.p.-dress shirts; Julian Kastner, v.p.-special market sales; Robert Taylor sr. v.p. & nat'l sales mgr.; Michael Appleblatt, Lawrence Brodsky, Ralph Brummett, v.p.'s-regional sales.

Directors: David Rappaport, chairman; Simeon Brinberg, William Jantzen, Frances Rappaport, Michael Rappaport.

Business Activities: Designs, manufactures and sells men's furnishings (neckwear, dress shirts, etc.) and sportswear (shirts, leisure wear, sweaters and jackets).

Trademarks and/or Brand Names: "Damon," "Courchevel," "Bill Blass."

Plant Location: Newberry, South Carolina.

Subsidiaries:

Damon International Ltd.
Newberry, South Carolina

Damon Creations International Ltd.
1470 Peel Street
Montreal 110, Quebec, Canada

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: DNI

Sales and Earnings

	Net Sales	Net Income
1985	\$ 44,924,971	\$ (2,325,288)
1984	44,975,247	(381,236)
1983	38,098,454	318,723
1982	36,573,994	472,004
1981	39,877,232	803,916

	No. of Com. Shares	Earn. per Share ‡
1985	1,099,926	\$ —
1984	1,099,926	—
1983	1,102,926	0.28
1982	1,187,497	0.38
1981	1,268,969	0.62

(Loss)

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 11,482,680	\$ 10.44
1984	13,807,968	12.55
1983	14,210,953	12.88
1982	14,311,365	12.05
1981	14,216,249	11.20

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 44,924,971	\$ 44,975,247
Cost of sales	34,251,128	32,073,730
Expenses	12,360,222	12,631,416
Interest expense	1,483,887	1,301,412
Other income	(319,978)	(449,075)

Loss before taxes	\$ (2,850,288)	\$ (582,236)
Tax credit	(525,000)	(201,000)
Net Loss	\$ (2,325,288)	\$ (381,236)

* Included in Costs and Expenses, Depreciation and Amortization \$472,876 in 1985 and \$412,651 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	\$ 665,312	\$ 761,785
Accts. receiv., net	11,749,050	10,502,247
*Inventories	8,485,631	14,658,810
Prepaid expenses & sundry curr. assets	617,858	1,723,345
Refundable income taxes	191,060	320,084
Current Assets	\$ 21,708,911	\$ 27,966,271
#Fixed assets	3,388,657	3,700,338
Long-term receiv. & other assets	323,021	697,385
Total Assets	\$ 25,420,589	\$ 32,363,994

Liabilities

Long-term debt, curr.	\$ 248,474	\$ 730,993
Notes Payable	10,200,000	5,500,000
Accts. payable	698,783	2,458,829
Accruals	1,067,063	2,298,379
Income taxes	—	55,100
Curr. Liabilities	\$ 12,214,320	\$ 11,043,301
Long-term debt	1,723,589	7,380,725
Deferred income taxes	—	132,000
+ Common stock	1,347,261	1,347,261
Add. paid-in capital	64,925	64,925
Retained earnings	11,200,480	13,525,768
Treasury stock	(1,129,986)	(1,129,986)
Total Liabilities & Shareholders' Equity	\$ 25,420,589	\$ 32,363,994

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

Sales to Inventories	5.29	3.07
Debt to Equity	1.06	0.99
Working Capital	\$9,494,591	\$16,922,976
Current Ratio	1.78	2.53
Shareholders' Equity	\$11,482,680	\$13,807,968

Dash Industries, Inc.

2445 North Miami Avenue
Miami, Florida 33137
(305) 573-8000

Officers: Phillip Dash, chairman & chief exec. officer; Jay Dash, president; Larry Pierpoint, exec. v.p. & national sales mgr.; Myron Gulker, controller and secretary-treasurer.

Directors: Phillip Dash, Jay Dash, Steven Shapiro, Lee Milich.

Business Activities: Engaged in the production and marketing of fabric and wallcovering products.

Subsidiaries:

David and Dash International, Inc.
2445 N. Miami Avenue
Miami, Florida 33137

D & D Wallcoverings, Inc.

Dash Industries Foreign Sales Corporation (FSC)

Transfer Agent(s):

Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DASH (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 18,206,274	\$ 403,659
1984	16,779,955	305,095
1983	14,441,126	639,935
1982	12,375,295	(213,901)
1981	13,005,880	(741,981)
	No. of Com. Shares ‡	Earn. per Share †
1985	7,498,612	\$ 0.05
1984	7,398,612	0.04
1983	7,398,612	0.09
1982	6,165,510	—
1981	6,115,510	—

(Loss)

† Including extraordinary gains of \$42,621 in 1985, \$77,851 (0.01 per share) in 1984 and \$282,000 (\$0.04 per share) in 1983.

‡ Based on average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 5,287,820	\$ 0.71
1984	4,841,961	0.65
1983	4,536,866	0.61
1982	3,896,931	0.63
1981	4,082,707	0.67

† Based on average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1985	1984
Nov. 30		
Net sales	\$ 18,206,274	\$ 16,779,955
Cost of sales	10,113,387	9,285,656
Expenses	7,097,036	6,703,922
Interest expense	451,415	485,282
Income before taxes	\$ 544,436	\$ 305,095
Income taxes	183,398	77,851
Net Income	\$ 361,038	\$ 227,244
Extraord. gain	42,621	77,851
Net Income & Extraord. Gain	\$ 403,659	\$ 305,095

* Included in Costs and Expenses, Depreciation and Amortization: \$191,997 in 1985 and \$172,297 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	\$ 283,817	\$ 446,355
Accts. & notes receiv., net	2,692,134	2,423,825
*Inventories	7,265,887	6,199,909
Prepaid expenses	106,517	67,076
Current Assets	\$ 10,348,355	\$ 9,137,165
#Fixed assets	1,620,206	1,751,616
Deferred tax benefits	55,620	—
Other assets	137,195	121,092
Total Assets	\$ 12,161,376	\$ 11,009,873

Liabilities

Long-term debt, curr.	\$ 84,658	\$ 113,790
Accts. payable	2,310,061	1,840,827
Accruals	185,794	178,528
Income taxes	192,836	—
Curr. Liabilities	\$ 2,773,349	\$ 2,133,145
Long-term debt	4,100,207	4,034,767
+ Common stock	4,982	4,915
Add. paid-in capital	3,855,354	3,813,221
Retained earnings	1,427,484	1,023,825
Total Liabilities & Shareholders' Equity	\$ 12,161,376	\$ 11,009,873

* At cost (LIFO) which is lower than market.
Less accumulated depreciation and amortization.
+ \$.00066 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.99	1.82
%Net Income to Sales	1.98	1.35
%Net Income to Equity	6.83	4.69
Sales to Inventories	2.51	2.71
Debt to Equity	0.79	0.86
Working Capital	\$7,575,006	\$7,004,020
Current Ratio	3.73	4.28
Shareholders' Equity	\$5,287,820	\$4,841,961

Dayton Hudson Corporation

777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6948

Officers: Kenneth A. Macke, chairman of the board & chief executive officer; Boake A. Sells, president; Gerald R. Gallagher, vice chairman & chief administrative officer; James T. Hale, sr. v.p. & secretary; John F. Kilmartin, Edwin H. Wingate, Bruce G. Albright, Willard C. Shull, III, sr. v.p.'s; Peter Corcoran, Peter Hutchinson, Ann H. Barkelew, Larry E. Carlson, Thomas M. Etzkorn, Susan S. Boren, L. Fred Hamacher, David W. Beckley, v.p.'s; Karol D. Emmerich, v.p. & treasurer; William E. Harder, v.p. & asst. secretary; William P. Hise, asst. secretary.

Directors: Donald J. Hall, Kenneth A. Macke, Howard H. Kehrl, David T. McLaughlin, Bruce K. MacLaury, Roger L. Hale, Shirley Young, Rand V. Araskog, Alva O. Way, Robert A. Burnett, John A. Rollwagen, Boake A. Sells, Gerald R. Gallagher.

Business Activities: Operates department stores, low margin stores, softline stores and specialty stores. These operations are located in 48 states, Washington, D.C. and Puerto Rico.

Trademarks and/or Brand Names: Unicorn Club, Girl's Gear, Cheetah, Cambridge Classics, Celebration.

Divisions and Subsidiaries:

Department Stores

Dayton Hudson Department Store Company
Minneapolis, Minnesota
Operates 37 department stores.

Low Margin Stores

Target
777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6073
Operates 226 stores located in 22 Midwestern and Western states.

Specialty Stores

Lechmere
88 1st Street
Cambridge, Massachusetts 02141
(617) 491-2000
Ten stores in Massachusetts, New Hampshire, Rhode Island and New York.

B. Dalton Bookseller
9430 James Avenue South
Minneapolis, Minnesota 55431
(612) 884-2311
Operates 785 stores located in 37 states and Puerto Rico.

Softlines Stores

Mervyn's
25001 Industrial Boulevard
Hayward, California 94545
(415) 785-8800
Nationally branded and private label apparel, accessories and household softgoods.

Transfer Agent(s):

Morgan Guaranty Trust Company
of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: DH

Sales and Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1986	\$ 8,793,400	\$ 283,600
1985	8,009,000	259,300
1984	6,963,300	245,500
1983	5,660,700	206,700
1982	4,942,900	173,400
	No. of Com. Shares +	Earn. per Share +
1986	97,068,000	\$ 2.92
1985	96,892,000	2.68
1984	96,601,000	2.54
1983	96,220,000	2.15
1982	95,788,000	1.18

‡ Of continuing operations only.

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business (000's)

	1986	1985
Department	\$ 1,447,900	\$ 1,547,800
Target	3,931,500	3,550,100
Specialty	887,000	770,000
Mervyn's	2,527,000	2,141,100
Total	\$ 8,793,400	\$ 8,009,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	\$0.785	—	—
1985	0.695	—	—
1984	0.625	—	2-for-1
1983	0.575	—	—
1982	0.525	—	2-for-1

* Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1986	\$ 1,947,355	\$ 20.06
1985	1,736,502	17.92
1984	1,540,179	15.94
1983	1,348,763	14.02
1982	1,191,556	12.44

† After allowing for preferred stock at liquidation value of \$100 per share.

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account (000's)

Year ended	2/1/86	2/2/85
Revenues	\$ 8,793,372	\$ 8,009,030
Cost of sales	6,278,260	5,709,483
Expenses	1,466,518	1,310,042
Depreciation	163,805	148,453
Rental expense	106,197	102,904
Interest exp.	83,292	81,457
Interest & depreciation on capital leases	24,422	24,333
Other taxes	146,304	136,239
Unusual expenses	—	16,777
Income before taxes	\$ 524,574	\$ 479,342
Income taxes	240,954	219,996
Net Income	\$ 283,620	\$ 259,346

Dayton Hudson Corporation

As of	2/1/86	2/2/85
Assets (000's)		
Cash	\$ 91,801	\$ 59,462
Market securities	96,422	2,500
Accts. receiv., net	1,060,129	995,967
*Inventories	1,272,175	1,103,922
Other current assets	28,034	19,267
Current Assets	\$ 2,548,561	\$ 2,181,118
*Fixed assets	1,731,885	1,490,958
Leased prop. under cap. leases	114,679	114,733
Non-curr. assets of discount segment	22,389	13,041
Total Assets	\$ 4,417,514	\$ 3,799,850
Liabilities (000's)		
Long-term debt, curr. & cap. lease oblig.	\$ 24,753	\$ 10,356
Accts. payable	734,415	611,490
Accruals	375,983	322,541
Income taxes	109,213	104,302
Deferred income taxes	174,067	159,679
Curr. Liabilities	\$ 1,418,431	\$ 1,208,368
Long-term debt	794,514	625,442
Long-term cap. lease oblig.	128,149	125,197
Deferred income taxes	129,065	104,341
+ Common stock	97,196	96,992
Add. paid-in capital	12,748	9,490
Retained earnings	1,837,411	1,630,020
Total Liabilities & Shareholders' Equity	\$ 4,417,514	\$ 3,799,850

* Using the retail inventory method (LIFO).
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.97	—
%Net Income to Sales	3.23	—
%Net Income to Equity	14.56	14.93
Sales to Inventories	6.91	7.26
Debt to Equity	0.49	0.44
Working Capital	\$1,130,130,000	\$ 972,750,000
Current Ratio	1.80	1.81
Shareholders' Equity	\$1,947,355,000	\$1,736,502,000

Dixie Yarns, Inc.

1100 Watkins Street
Chattanooga, Tennessee 37401
(615) 698-2501

Mailing address:

P.O. Box 751
Chattanooga, Tennessee 37401

Officers: J. Burton Frierson, chairman of the executive committee; Daniel K. Frierson, president & chief executive officer; Morgan M. Schuessler, sr. v.p. & chief financial officer; C. Rex Childers, v.p.; L.T. Prigmore, v.p.-organization development; C.P. Driver, v.p.; E. Bryan Gibson, v.p.-industrial relations; Thomas C. Robinson, Jr., secretary & treasurer; Edd L. Utley, controller.

Directors: J. Burton Frierson*, L. Hardwick Caldwell, Joseph H. Davenport, Jr.*, C. Ralph Ewing*, Daniel K. Frierson*, J. Frank Harrison, Robert L. Voigt, Raymond B. Witt, Jr., Robert J. Sudderth, Jr., Paul K. Brock.

* Member of the Executive Committee.

Business Activities: Manufactures yarn from cotton and man-made fibers for sale to the knitting, weaving and tufting industries. A portion of this yarn is also further processed by the company through mercerizing, dyeing or bleaching. Industrial thread and yarn for hand knitting are also produced.

Trademarks and/or Brand Names: Durene, Silspun, Bebon, Corospun.

Plant Location(s): Chattanooga & Lupton City, Tenn.; Hope Mills, Cumberland, Mebane, Saxapahaw, No. Carolina; Dalton & Ringgold, Ga.; Roanoke, Ala.; Lemoore, Calif.

Divisions:

Candlewick Division
Engaged in the manufacture of carpet yarns.

Apparel Yarn and Thread

Products include: cotton and blend yarns for hosiery; womenswear; menswear; sportswear; children's wear; underwear; swimwear; athletic uniforms; and industrial thread.

Transfer Agent(s):

Third National Bank
Nashville, Tennessee

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	\$ 253,470,837	\$ 7,092,636
1984	283,189,960	3,258,261
1983	282,688,971	4,518,878
1982	222,978,735	2,537,815
1981	243,177,203	3,735,399
	No. of Com. Shares	Earn. per Share ‡
1985	400,204	\$ 14.87
1984	475,522	6.29
1983	650,424	6.94
1982	654,170	3.19
1981	952,439	5.41

‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985 Class A	\$3.20	—	—
Class B	1.20	—	—
1984	2.60	—	—
1983	2.05	—	—
1982	1.60	—	—
1981	2.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 47,523,183	\$ 118.75
1984	43,040,845	90.51
1983	52,342,994	80.48
1982	49,293,033	75.35
1981	58,547,302	61.47

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 253,470,837	\$ 283,189,960
Cost of sales	227,625,610	261,074,162
Expenses	12,251,900	11,654,126
Other income	(237,175)	(401,483)
Interest expense	2,430,088	4,060,062
Loss (gain) from plant closing	(1,387,222)	2,200,832
Income before taxes	\$ 12,787,636	\$ 4,602,261
Income taxes	5,695,000	1,344,000
Net Income	\$ 7,092,636	\$ 3,258,261

* Included in Costs and Expenses. Depreciation and Amortization \$6,335,983 in 1985 and \$6,991,867 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	\$ 1,359,749	\$ 2,519,511
Accts. receiv., net	25,294,347	22,755,385
*Inventories	19,691,755	20,120,444
Prepaid expenses	194,854	467,964

Current Assets	\$ 46,440,705	\$ 45,863,304
#Fixed assets	38,778,462	44,617,814
Other assets	612,575	655,007

Total Assets \$ 85,831,742 \$ 91,136,125

Liabilities

Notes payable	\$ 2,300,000	\$ —
Long-term debt, curr.	1,979,200	2,134,109
Accts. payable	7,637,394	7,065,885
Accruals	6,092,061	6,059,608
Income taxes	319,657	600,035
Curr. Liabilities	\$ 18,328,312	\$ 15,859,637
Long-term debt	14,499,400	28,828,796
Deferred inc. taxes	5,480,847	3,406,847
+ Common stock	3,026,820	3,026,820
+ Class B stock	183,882	—
Retained earnings	68,907,684	63,286,844
Treasury stock	(24,595,203)	(23,272,819)

Total Liabilities & Shareholders' Equity \$ 85,831,742 \$ 91,136,125

* At cost (LIFO), which is less than market.
Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.05	1.63
%Net Income to Sales	2.80	1.15
%Net Income to Equity	14.92	7.57
Sales to Inventories	12.87	14.07
Debt to Equity	0.35	0.72
Working Capital	\$28,112,393	\$30,003,667
Current Ratio	2.53	0.29
Shareholders' Equity	\$47,523,183	\$43,040,845

Dominion Textile Inc.

1950 Sherbrooke Street West
Montreal, Quebec, H3H 1E7, Canada
(514) 989-6000

Mailing address:

P.O. Box 6250
Montreal, Quebec, H3C 3L1 Canada

Officers: Ronald H. Perowne, chairman of the board; Thomas R. Bell, president & chief executive officer; Charles A. McCrae, executive vice-president-administration & resources; Alex R. McAslan, executive vice-president, operations; Paul E. Boudreault, president, apparel & industrial fabrics; Erwin Mertens, president, consumer products; Arthur P. Earle, senior vice-president, development & research; Pierre L. Roy, treasurer; William N. Gagnon, president, international operations; E. John Macfarlane, president, Mirafiori, Inc.; Dennis Godfrey, president-sales yarns; Sandy Mackay Lyphen Smith, vice president, secretary, and general counsel; John A. Boland, Jr., sr. vice-president-United States Operations; Robert B. Anderson, assistant comptroller; Marie Baillargeon, assistant general counsel & asst. secretary; Peter McConnell, president-Wabasso Canada, Inc.; Gary Wilson, president-Pennmans Company; H. Alton Conner, president-Linn-Corrier Corp.; C. Robert Koon, president-Swift Textiles, Inc.; Herman F. Riddle, president-Howard Cotton Co.; Stephen J. Weir, sr. v.p.-operations services.

Directors: Jean Beliveau, Cal N. Moisan*, Ronald H. Perowne*, David F. Sobey*, Thomas R. Bell*, Roderick O.A. Hunter, Alex R. McAslan, Charles A. McCrae, Alex Hamilton*, Gordon H. Lennard, H. Purdy Crawford, J.V. Raymond Cyr.

* Member of the Executive Committee.

Business Activities: Produces and markets woven fabrics for apparel and furnishing trades including indigo-dyed denim; cotton and blended yarn for knitters and weavers; consumer products for the home including sheets, pillow cases, draperies, bedspreads and towels; sportswear and leisure wear; non-woven plastics and fabrics for use by other manufacturing industries.

Textile Trademarks and/or Brand Names: Texmade, Caldwell, Esmond, Pennmans, DHJ, Swift, Mirafiori.

Canadian Operations

Apparel Fabrics

Domil Plant
Sherbrooke, Quebec
Fabrics for men's and women's sportswear, rainwear and outerwear, shirting, fabrics/loths and dress prints.

Long Sault Plant
Long Sault, Ontario
Polyester cotton broadcloths, outerwear and sportswear fabrics.

Magog Plant
Magog, Quebec
Cotton broadcloths, cotton and polyester/cotton print cloth and broadcloths, corduroy industrial fabrics.

Richelieu Plant
St. Jean, Quebec
Cotton and polyester/cotton blend fabrics for sportswear, work clothing, casement satens, interlinings, dress prints and pocketings.

Drummondville Plant
Drummondville, Quebec
Denim and industrial fabrics.

Consumer Products

Caldwell Plant
Iroquois, Ontario
Terry towels, towelling and bath mats.

Sherbrooke Plant
Sherbrooke, Quebec
Polyester/cotton sheeting for sheets, pillow slips, comforters and bedspreads.

Magog Finishing Plant
Magog, Quebec
Sheets, pillow slips, tabling, bedspreads, blankets and flannelette sheets.

Penmans Company Plant
Cambridge, Ontario
Manufactures T-shirts, sweat shirts, golf shirts, shorts, jogging suits and other casual clothing.

Sales Yarn

Domil Plant
Sherbrooke, Quebec

Long Sault Plant
Long Sault, Ontario

Salaberry Plant
Valleyfield, Quebec

Mount Royal Dychouse
Montreal, Quebec

Industrial Fabrics

Drummondville Plant
Drummondville, Quebec
Fabrics of cotton and man made fibers or filaments for automotive, abrasive, buff and filter use, tire cord and chafar fabrics, ducks for tarpaulins, conveyor belting and industrial hose, industrial yarn and V-belt cords.

Yarmouth Plant
Yarmouth, Nova Scotia
Ducks of cotton, man made fibers or filament for tarpaulins, conveyor belting and industrial hose, cotton and blend industrial greige fabrics, sales yarn.

Fiberworld Division

Hawkesbury Plant
Hawkesbury, Ontario
Regular and needle-punched polypropylene carpet backing, polyolefin industrial fabrics.

Woodstock Plant
Woodstock, Ontario
Resin bonded and needle-punched non-woven fabrics of man-made fibers for the coating trade, furniture and filter use, quilting and apparel manufacturing.

United States Operations

Include the manufacture and sale of denim, polyester-cotton yarn, geotextile products, custom injection molded parts and plastic accessories for the apparel industry.

Swift Textiles, Inc.
Columbus, Georgia
Indigo-dyed denim

Linn Corriher Corporation
Landis, North Carolina

Miraflo
Moultrie, Georgia
Civil engineering fabrics.

North River Plastics
Plymouth, Massachusetts
Injection molded plastic parts.

Howard Cotton Company

International Operations:

Manufactures and distributes interlinings, cut linings, fusible fabrics, indigo-dyed denim for the apparel trade and a diversified line of nonwoven fabrics sold to a wide variety of industries.

DHJ Industries Deutschland GmbH
Bielefeld, West Germany
Interlining fabrics and die-cut linings.

DHJ Industries Europe S.A.
Paris, France
Interlining fabrics.

DHJ Industries SpA
Milan, Italy
Interlining fabrics and die-cut linings.

DHJ Industries (U.K.) Ltd.
London, England
Interlining fabrics, die-cut linings and packaging.

DHJ Industries Distribution (Singapore) Pte. Ltd.

SENEFA S.A.
Selestat, France
Interlining fabrics.

DHJ Industries (Far East) Ltd.

DHJ Industries AG (Switzerland)

DHJ Textile Vertriebs GmbH (Austria)

Transfer Agent(s):
The Royal Trust Company
Montreal, Toronto, Winnipeg, Calgary and Vancouver

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: DTX

Sales and Earnings

	Net Sales (000's)	Net Income † (000's)
1985	\$ 765,870	\$ (14,375)
1984	877,846	23,130
1983	822,422	19,065
1982	767,306	(14,404)
1981	864,833	42,926
	No. of Com. Shares ‡	Earn per Share ‡
1985	14,108,986	\$ —
1984	13,160,783	1.59
1983	11,788,447	1.41
1982	10,964,695	—
1981	10,250,998	3.93

(Loss)

† Including extraordinary loss of \$11,500,000 (\$1.05 per share) in 1982.

‡ Based on the daily weighted average number of common shares outstanding.

Revenue By Line of Business

	1985 (000's)	%	1984 (000's)	%
Apparel fabric	\$179,000	23%	\$238,000	27%
Consumer prod.	134,000	17	134,000	15
Sales yarn	96,600	13	113,000	13
Indus. prods.	77,000	10	77,000	9

U.S. operations	191,900	25	240,000	27
Int'l operations	87,800	12	77,000	9
Total	\$766,300	100%	\$879,000	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.66	—	—
1984	0.72	—	—
1983	0.72	—	—
1982	1.02	—	—
1981	1.06	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	\$ 275,788,000	\$ 19.55
1984	280,964,000	21.08
1983	260,629,000	20.04
1982	227,541,000	20.39
1981	248,737,000	23.14

‡ After allowing for preferred stock at stated values.

Income Account *

Year ended June 30	1984	1983
Net sales	\$ 877,846	\$ 822,422
Operating costs	812,331	765,522
Interest expense	23,507	26,401
Other income	(1,878)	(1,859)
Share in earn. of assoc. cos.	83	449
Income (loss) bef. taxes	\$ (30,528)	\$ 43,803
Income taxes (credit)	(15,947)	18,533
Minority interest	(206)	2,140
Net Income (Loss)	\$ (14,375)	\$ 23,130

* Included in Costs and Expenses. Depreciation: \$31,019,000 in 1985 and \$24,816,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	\$ 13,176	\$ 45,049
Accts. receiv., net	127,762	142,791
Receiv. inc. taxes	3,238	2,263
*Inventories	220,465	208,684
Prepaid expenses	5,305	4,486
Current Assets	\$ 369,946	\$ 403,273
Investments & advances	7,743	8,254
#Fixed assets	295,395	271,276
Other assets	2,718	2,815
Total Assets	\$ 675,802	\$ 685,618

Liabilities
(000's)

Long-term debt, curr.	\$ 14,954	\$ 14,240
Short-term borrowings	36,938	43,018
Accts. payable & accruals	101,983	96,056
Dividends payable	2,321	2,398
Income taxes	7,107	6,993
Curr. Liabilities	\$ 163,303	\$ 162,705
Long-term debt	146,969	151,207
Def. inc. taxes	34,920	48,391
Minority interest	24,743	12,272
+ First preferred stock	79	79
+ + Second pref. stock	30,000	30,000
+ + + Common stock	149,772	131,367
Retained earnings	123,090	149,123
Cum. trans. adjust.	2,926	474
Total Liabilities & Shareholders' Equity	\$ 675,802	\$ 685,618

* At lower of average cost and net realizable value.

Less accumulated depreciation.

+ \$100 stated value; 7% cumulative.

+ + \$25 stated value 2% cumulative.

+ + + No par value.

Dominion Textile Inc.

Statistical Summary

%Income bef. Taxes to Sales	—	4.99
%Net Income to Sales	—	2.63
%Net Income to Equity	—	7.44
Sales to Inventories	3.47	4.21
Debt to Equity	0.65	0.67
Working Capital	\$206,543,000	\$240,568,000
Current Ratio	2.27	2.48
Shareholders' Equity	\$305,867,000	\$311,043,000

E.I. du Pont de Nemours & Company

1007 Market Street
Wilmington, Delaware 19898
(302) 774-1000

Officers: Edward G. Jefferson, chairman of the board & chief exec. officer; Richard E. Heckert, deputy chairman; Edgar S. Wooland, Jr., Ralph E. Bailey, vice chairmen; Elmer J. Grivetti, Archie W. Dunham, Colin H. Lee, H. Douglas Dahl, Jarvis B. Cecil, Robert B. Atwater, C. Wes McDonald, Floyd E. Ellis, exec. v.p.'s; James F. Kearns, Harold E. May, H. Gordon Smyth, John J. Quindlen, John F. Shmutz, Allen L. Cleveland, Marion L. Sharratt, Samuel Schwartz, John R. Malloy, W. Earl Tatum, Alexander MacLachlan, sr. v.p.'s; Robert M. Aiken, David D. Mooberry, Nicholas Pappas, III, James F. Kearns, Carl De Martino, Dale E. Wolf, John C. Metzger, Jr., Elwood P. Blanchard, John P. McAndrews, group vice presidents; Constantine S. Nicandros, president-Conoco Petroleum Operations; Bobby R. Brown, president-Conoco Coal Operations.

Directors: Edward G. Jefferson*, chairman of the board; Irving S. Shapiro, Richard E. Heckert*, David K. Barnes*, H. Rodney Sharp, III, Robert C. Forney*, Andrew F. Brimmer, Margaret P. MacKimm, Joseph A. Dallas, Charles L. Brown, Gilbert E. Jones, Irene du Pont, Jr., Edward B. duPont, George P. Edmonds, Crawford H. Greenwalt, Edward R. Kane, Howard W. Johnson, William G. Simeral*, Charles R. Bronfman, Edgar M. Bronfman, Charles B. McCoy, Dean R. McKay, Ralph E. Bailey*, Louisa C. Duemling, Edward Shapiro, Edgar S. Wooland, Jr.*, Constantine Nicandros*, Wilfred Schmoe*, Philip E. Beekman.

* Member of the Executive Committee.

Business Activities: Operations are divided into the following industrial segments: biomedical products, industrial and consumer products, fibers, polymer products, agricultural and industrial chemicals; petroleum exploration and production, petroleum refining, marketing and transportation; and coal. Biomedical products include clinical instruments and X-ray products used in medical diagnosis; prescription pharmaceuticals; radiopharmaceuticals and radioactive tracer chemicals; and biomedical instruments used principally in research. Industrial and consumer products include photographic products and systems for printing, engineering reproduction, data recording and micrographic markets; electronic products for high-density microcircuits, resistor networks and printed circuit boards; electronic connectors; chromium dioxide magnetic particles used in audio and video tapes and cassettes, and for data storage; finishes for the automotive and other industries; nonstick coatings; analytical instruments for research and industrial process monitoring; explosives; and sporting firearms and ammunition. Man-made fiber products consist of specialty fibers used in apparel, carpets, tire and aircraft component reinforcement, protective clothing, operating room apparel, packaging and road support, together with high-volume fibers for apparel and home fabrics, carpeting and industrial applications. These products are sold directly to the textile and other industries for processing into products used in consumer markets. Polymer products include plastic resins, elastomers, and films and other fabricated products. Agricultural chemical operations include worldwide manufacture and sale of fungicides, herbicides and insecticides for crop protection. Industrial chemicals comprise a range of such commodity and specialty products as pigments, organic chemicals, fluorochemicals, petroleum additives, mineral acids and other inorganics. Principal petroleum products include gasoline, jet fuel, diesel fuel, heating oil, fuel oil, asphalt, petroleum coke, natural gas, liquids and chemical feedstocks.

Trademarks: Adoration, Antron, Avitex, Avitone, Bi-Nell*, Bytrec, Cantre, Civona*, Cordura, Dacron, Du Pont, Holi-foil, Hyten, Kevlar, Lycra, Methacrol, Mylar, Nalan, Nomelle*, Nomex, Orlon, Qiana, Reemay, Sayelle*, Sontara, Sontique*, Stren, Supplex, Taslan, Teflon, Therman, Tyvek,

Tynex, Typar, Tyvek, Vylor, Wintuk*, Zelan, Zelcon, Zetec, Zepel, Zonyl.

*Certification marks.

Textile Fibers Department Plant Locations: Seaford, Del.; Athens, Ga.; Kingston & Wilmington, N.C.; Charleston, S.C.; Chattanooga, Tenn.; Martinsville, Richmond & Waynesboro, Va.

Industrial Departments:

Biochemicals Products Department
Finishes & Fabricated Products Department
Chemicals and Pigments Department
International Department
Petrochemicals Department
Photo Systems & Electronic Products Department
Polymer Products Department
Textile Fibers Department
Agricultural Chemicals Department

Subsidiaries:

DuPont International Sales Corporation
Wilmington, Delaware

Remington Arms Company, Inc.
Bridgeport, Connecticut

Colorquim, S.A. de C.V.
Mexico, D.F., Mexico

Conoco, Inc.
Conoco Delaware, Inc.

DuPont Taiwan Ltd.
Taipei, Taiwan

DuPont Taiwan Chemicals Ltd.
Taipei, Taiwan

DuPont (Australia) Limited
Sydney, Australia

DuPont, S.A. de C.V.
Mexico, D.F., Mexico

Conoco (U.K.) Limited
London, England

DuPont de Colombia, S.A.
Bogota, Colombia

DuPont de Nemours (Belgium)
Brussels, Belgium

Brandywine Assurance Company Ltd.
Bermuda

Quimica DuPont Centroamerica, S.A.
Guatemala

DuPont de Nemours (Deutschland) GmbH
Dusseldorf, Germany

DuPont de Nemours International S.A.
Carouge, (Geneva), Switzerland

DuPont de Nemours Italiana S.p.A.
Milan, Italy

DuPont de Nemours (Luxembourg) S.A.
Contern, Luxembourg

DuPont Photolux, S.A.
Luxembourg

DuPont de Nemours (Nederland) B.V.
Dordrecht, Netherlands

Lacas y Pinuras, S.A.
Spain

DuPont de Nemours Nordiska A.B.
Marsta, Sweden

DuPont (Hong Kong) Ltd.
Hong Kong

DuPont de Venezuela C.A.
Caracas, Venezuela

DuPont do Brasil S.A.
Sao Paulo, Brazil

DuPont Far East Inc.
Wilmington, Delaware

Comercial Quimica Peru S.A.
Lima, Peru

DuPont de Nemours (France) S.A.
Paris, France

DuPont Japan Ltd.
Japan

DuPont (New Zealand) Ltd.
New Zealand

DuPont (Singapore) Electronics Pte. Ltd.
Singapore

Affiliated Companies:

La Dominica S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Desarrollo Quimico Industrial, S.A. (50% owned)
Madrid, Spain

Allied Eneabba, Ltd. (50% owned)
Australia

DuPont Canada, Inc. (74.88% owned)
Montreal, Quebec, Canada

Butachimie (50% owned)
France

Mitsui Fluorochemicals Company, Ltd. (50% owned)
Tokyo, Japan

Mitsui Polychemicals Company, Ltd. (50% owned)
Tokyo, Japan

Pigmentos y Productos Quimicos, S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Showa Neoprene K.K. (50% owned)
Tokyo, Japan

Tetraetilo de Mexico, S.A. (40% owned)
Mexico, D.F., Mexico

DuPont-Toray Co. Ltd. (50% owned)
Tokyo, Japan

Quimica Fluor, S.A. de C.V. (32.9% owned)
Mexico

Nylon de Mexico, S.A. (40% owned)
Mexico

Transfer Agent(s):

E.I. du Pont de Nemours & Company
Finance Department
Nemours Building
10th & Orange Streets
Wilmington, Delaware

Mailing address:

1007 Market Street
Wilmington, Delaware 19898

Stock Exchange(s): New York

Ticker Symbol: DD

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	\$ 29,483,000	\$ 1,118,000
1984	30,559,000	1,431,000
1983	28,748,000	1,127,000
1982	29,061,000	894,000
1981	21,600,000	1,401,000
	No. of Com. Shares ±	Earn. per Share ±
1985	240,354,000	\$ 4.61
1984	239,482,000	5.93
1983	237,767,000	4.70
1982	235,707,000	3.75
1981	184,260,000	7.55

+ Reflects reclassification of crude oil and refined product exchanges and trading transactions.
 ‡ Based on the average number of common shares outstanding.

Revenues By Line of Business

	1985 (millions)	1984 (millions)
Petroleum	\$ 12,920	\$ 13,126
Coal & minerals	1,517	1,572
Agricultural & industr. chemicals	3,388	3,704
Polymer prods.	3,379	3,641
Fibers	4,483	4,660
Industr. & cons. prods.	2,780	2,831
Biomedical prods.	1,016	1,025
Total	\$ 29,483	\$ 30,559

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$3.00	—	—
1984	2.90	—	—
1983	2.50	—	—
1982	2.40	—	—
1981	2.75	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	\$ 12,422,000	\$ 51.62
1984	11,996,000	50.06
1983	11,235,000	47.04
1982	10,613,000	44.87
1981	10,221,000	43.60

‡ After allowing for preferred stock at stated values.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 29,483,000	\$ 30,559,000
Other income	409,000	303,000
Total Income	\$ 29,892,000	\$ 30,862,000
Cost of sales	17,898,000	18,627,000
Expenses	2,077,000	2,024,000
Deprec. & amort.	1,796,000	1,736,000
Explor. expenses	561,000	524,000
Res. & develop. expenses	1,144,000	1,097,000
Interest expense	513,000	565,000
Taxes	2,282,000	2,345,000
Loss on restruc. of invest.	226,000	—
Early retire. prng.	200,000	—
Inc. before taxes	\$ 3,195,000	\$ 3,944,000
Inc. taxes	2,077,000	2,513,000
Net Income	\$ 1,118,000	\$ 1,431,000

Assets

As of Dec. 31	1985	1984
Cash & marketable securities	\$ 583,000	\$ 674,000
Accts. & notes receiv., net	4,044,000	3,814,000
*Inventories	3,873,000	3,792,000
Prepaid expenses	376,000	371,000
Current Assets	\$ 8,876,000	\$ 8,651,000
Investments	280,000	399,000
*Fixed assets	15,195,000	14,409,000
Other assets & investments	789,000	639,000
Total Assets	\$ 25,140,000	\$ 24,098,000

Liabilities
(000's)

Short-term borrowings	\$ 723,000	\$ 602,000
Accts. payable	2,550,000	2,455,000

Accruals	1,607,000	1,560,000
Income taxes	431,000	570,000
Curr. Liabilities	\$ 5,311,000	\$ 5,177,000
Long-term debt	3,191,000	3,421,000
Cap. lease oblig.	93,000	104,000
Other liabilities	1,475,000	1,458,000
Minority interest	68,000	78,000
Deferred inc. taxes	2,343,000	1,627,000
+ Preferred stock:		
\$4.50 series	167,000	167,000
\$3.50 series	70,000	70,000
+ + Common stock	401,000	399,000
Add. paid-in capital	4,492,000	4,455,000
Retained earnings	7,529,000	7,142,000
Total Liabilities & Shareholders' Equity	\$ 25,140,000	\$ 24,098,000

* Valued at LIFO cost.
 ‡ Less accumulated depreciation and obsolescence.
 + No par value, cumulative.
 + + \$1.66 1/2 par value.

Statistical Summary

%Income bef. Taxes	10.84	10.98
to Sales	3.79	3.98
%Net Income to Sales	8.83	11.70
%Net Income to Equity	7.61	9.47
Sales to Inventories	0.32	0.34
Debt to Equity	\$ 3,565,000,000	\$ 3,474,000,000
Working Capital	1.67	1.67
Current Ratio	\$12,659,000,000	\$12,233,000,000
Shareholders' Equity		

Dylex Limited

637 Lake Shore Boulevard West
 Toronto, Ontario, M5V 1A8, Canada
 (416) 586-7000

Officers: J.F. Kay, chairman of the board, Wilfred Posluns, president & chief exec. officer, Irving Posluns, exec. vice president & treasurer, Kenneth Axelrod, v.p.-Manchester Clothing, Gordon Edelstone, v.p.-Tip Top; Gunter Leverenz, v.p.-distribution; Irving Levine, v.p.-Fairweather; Joel N. Cooper, v.p.-Braemar; Sydney Loftus, v.p.-Dyles Real Estate; Paul Mancini, v.p.-Western Apparel; Jerome A. Corngold, v.p.-Braemar; Lionel Robins, v.p.-Fairweather; Stewart Robins, v.p.-Thrifty's; Harry Rosen, v.p.-Harry Rosen Men's Wear; Henry Zagdanski, v.p.-Nu Mode Dress; David Beiles, v.p.-Big Steel Man; Donald J. Evans, v.p.-Tip Top; Conrad LeDrew, v.p.-Big Steel Man; Mickey Maklin, v.p.-Thrifty's; Stewart Robins, v.p.-Thrifty's; B. Chris Schwarz, v.p.-corporate development; Harry Steinberg, v.p.-Fairweather; Glenn A. Stonehouse, v.p.-Thrifty's; David Wolpin, v.p.-Big Steel Man; Donald Williams, secretary.

Directors: Kenneth Axelrod, D.W. Casey, J.F. Kay, S.F. Kay, David Korn, Irving Levine, Sydney Loftus, Irving Posluns, Richard Posluns, Wilfred Posluns, Lionel Robins, Harry Rosen, S.M. Sigel, W.H. Singer, H.J. Stitt, Henry Zagdanski, A.H. Zaldin, Irving Teitelbaum, Gordon Edelstone, Donald J. Evans, Russell Jacobson, B. Chris Schwartz, Donald A. Williams.

Business Activities: Engaged in the specialty merchandising of apparel with women's, men's and family retail clothing stores located throughout Canada. Stores operate under such names as Fairweather, Big Steel Man, Braemar, Ruby's, Suzy Shier/L.A. Express, Tip Top, Harry Rosen, Thrifty's, B.H. Emporium and Bi-Way. Manufactures women's and children's coats and dresses marketed under such brand names as "Young Canadian", "Thunder Bay", "Picknit", and "Nu Mode". The Shoe Shoppe, in which Dylex has a 50% interest, operates Ruby's, Fantasia, Diva, and Feathers free standing shoe stores and shoe departments. Dylex holds a 50% interest in Town & Country, a chain of sports and casual women's wear stores.

Trademarks and/or Brand Names: New Editions, Nu-Mode, Posluns, Shapes, Signature Collection, Forsyth, Pierre Cardin, Leishman, Nino Cerruti, Henley, Target Apparel, Tobias, Angels Flight, Picknit, Thunder Bay, Young Canadian.

Divisions and Subsidiaries:

Manchester Children's Wear Division
 9494 St. Laurent Boulevard
 Montreal, Quebec, H2N 1P4

National Knitting Mills Company Division
 1485 Dupont Street
 Toronto, Ontario, M6P 3S2

San Remo Knitting Mills Inc. (75% owned)
 5333 Casgrain Street
 Montreal, Quebec, H3T 1X3

Forsyth Trading Company (33.33% interest)
 36 Horner Avenue
 Toronto, Ontario, M8Z 5Y1

Irving Posluns' Sportswear
 637 Lakeshore Boulevard West
 Toronto, Ontario, M5V 1A8

Manchester Manufacturing Inc. (42% interest)
 P.O. Box 107 Bridge Street
 Colebrook, New Hampshire 03676

Nu Mode Dress (75% interest)
 530 Adelaide Street West
 Toronto, Ontario, M5V 2K7

Paulman International Apparel Ltd. (75% owned)
 955 Weston Road
 Toronto, Ontario, M6N 3R4

Shane Knit Ltd. (50% owned)
 456 Alliance Avenue
 Toronto, Ontario, M6N 2J2

Suzy Shier Inc. (50.1% owned)
 1604 St. Regis Boulevard
 Dorval, Quebec, H9P 1H6

Tobias Kotzin Company (70% interest)
 1300 Santee Street
 Los Angeles, California 90015

B.H. Emporium Division
 637 Lakeshore Blvd. West
 Toronto, Ontario, M5V 1A8

Big Steel Man Division
 637 Lakeshore Blvd. West
 Toronto, Ontario, M5V 1A8

Bi-Way Stores Limited
 115 Commander Blvd.
 Scarborough, Ontario, M1S 3M7

Braemar Division
 637 Lakeshore Blvd. West
 Toronto, Ontario, M5V 1A8

Town & Country-Petites (50% owned)
 4100 Weston Road
 Toronto, Ontario, M9L 2Y6

Fairweather Division
 637 Lakeshore Blvd. West
 Toronto, Ontario, M5V 1A8

Manchester Manufacturing Inc. (42% interest)
 Bridge Street
 Colebrook, New Hampshire 03576

NBO Stores Inc. (50% interest)
 60 Enterprise Avenue
 Secaucus, New Jersey

Harry Rosen Inc. (51% owned)
 111 Richmond Street West
 Toronto, Ontario, M5H 2G4

Target Apparel Division (Integrated Manufacturing)
 965 Weston Road
 Toronto, Ontario, M6N 3R4

The Shoe Shoppe Limited (50% owned)
 85 Scarsdale Road
 Don Mills, Ontario, M3B 2R2

Thrifty Riding & Sport Shop Limited
 637 Lake Shore Blvd. W.
 Toronto, Ontario, M5V 1A8

Tip Top Tailors Division
 637 Lakeshore Blvd. West
 Toronto, Ontario, M5V 1A8

Weston Apparel Manufacturing Division
 (Integrated Manufacturing)
 965 Weston Road
 Toronto, Ontario, M6N 3R4

Dylox Limited

Brooks Fashion Stores Inc.
370 Seventh Ave.
New York, N.Y. 10001

The Wet Seal Inc. (78% owned by Suzy Shier Inc.)
1852 Kaiser
Irvine, California 92714

Club International, Inc.
Fox Valley Shopping Centre
Highway 59 & 65
Aurora, Illinois 60505

Foxmoor Chain (39% interest)
393 Manley Street
West Bridgewater, Mass 02379

Drug World (50% owned)

Transfer Agent(s):
National Trust Company, Limited
21 King St. East
Toronto, Ontario, Canada

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: DLX

Sales and Earnings

	Net Sales (000's)	Net Income † (000's)
1985	\$ 1,082,133	\$ 46,753
1984	926,676	41,196
1983	822,404	31,484
1982	549,127	17,273
1981	495,358	16,500

	No. of Com. Shares #	Earn. per Share ‡#
1985	46,689,000	\$ 1.00
1984	46,689,000	0.88
1983	44,232,000	0.71
1982	35,856,000	0.48
1981	35,706,000	0.46

† Before extraordinary items

Based on the average number of common shares and Class A shares combined adjusted to reflect stock dividend and stock split

Revenues By Line of Business

	1985 (000's)	1984 (000's)
Retail	\$ 998,657	\$ 853,734
Fashion manufacturing	83,476	72,942
Total	\$ 1,082,133	\$ 926,676

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	\$0.19	—	3-for-1
1984	0.17	—	—
1983	0.13	—	—
1982	0.09	100%	—
1981	0.08	—	—

† On common and Class A shares; adjusted to reflect stock dividend and stock split

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 269,031,000	\$ 5.76
1984	225,636,000	4.83
1983	190,221,000	4.30
1982	110,627,000	3.09
1981	96,462,000	2.70

† Based on the number of common shares and Class A shares combined adjusted to reflect stock dividend and stock split

Income Account (000's)

	2/1/86	2/2/85
Year ended		
Net Sales	\$ 1,082,133	\$ 926,676
Cost of sales	967,217	845,817

Depreciation & amortization 20,362 16,010
Interest expense (income) 4,149 (1,205)

Income before taxes \$ 90,405 \$ 66,054
Income taxes 42,701 30,715
Investments (2,564) (7,345)
Minority interest 3,515 1,488

Net Income \$ 46,753 \$ 41,196

Assets (000's)

As of 2/1/86 2/2/85

Cash & short-term deposits \$ 124,130 \$ 87,878
Accts. receiv., net 23,100 16,363
Sundry debtors 1,648 2,360
Inventories 135,331 130,139
Prepaid expenses 2,457 2,642

Current Assets \$ 286,666 \$ 239,382
Investments 144,011 99,801
Fixed assets 52,288 42,527
Leased assets under cap. leases 58,670 49,648
Intangibles 13,950 14,361

Total Assets \$ 555,585 \$ 445,719

Liabilities

Long-term debt, curr. \$ 1,808 \$ 1,729
Accts. payable & accruals 109,570 91,383
Income & other taxes 15,637 12,760
Oblig. under cap. leases 11,942 10,298

Curr. liabilities \$ 138,957 \$ 116,170
Long-term debt 89,050 56,183
Oblig. under cap. leases 45,855 37,698
Minority interest 11,168 8,401
Deferred inc. taxes 1,524 1,631
+ Common stock 1,687 1,687
+ Class A Stock 83,840 83,840
Add. paid-in capital 1,479 1,501
Exchange trans. adj. 7,592 2,001
Retained earnings 174,433 136,607

Total Liabilities & Shareholders' Equity \$ 555,585 \$ 445,719

* At lower of cost and net realizable value
Less accumulated depreciation
+ No par value

Statistical Summary

%Income bef. Taxes to Sales	8.35	7.13
%Net Income to Sales	4.32	4.45
%Net Income to Equity	17.38	18.26
Sales to Inventories	8.00	7.12
Debt to Equity	0.55	0.47
Working Capital	\$147,709,000	\$123,212,000
Current Ratio	2.06	2.06
Shareholders' Equity	\$269,031,000	\$225,636,000

Eastman Kodak Company

343 State Street
Rochester, New York 14650
(716) 724-4000

Officers: Colby H. Chandler*, chairman of the board & chief executive officer; Kay R. Whitmore, president; Dennis M. DeLeo, v.p. & director-corporate commercial affairs; David J. Metz, v.p. & dir. of corp. communications; Robert B. Murray, v.p. & dir. of corp. planning; Herbert L. Rees, v.p.-corp. staff; J. Phillip Samper, exec. v.p. & gen. mgr.-Photographic Div.; Toy F. Reid, exec. v.p. & gen. mgr.-Eastman Chemicals Div.; Leo J. Thomas, sr. v.p. & gen. mgr.-Life Sciences Div.; Kendall M. Cole, sr. v.p. & general counsel; Andrew P. Donovan, secretary; Paul L. Smith, sr. v.p. & dir.-finance & adm.; Donald E. Snyder, treasurer; William L. Sutton, sr. v.p. & dir.-corp. relations; John R. McCarthy, v.p.-corp. relations; Lowrie G. Piercy, comptroller; Edwin P. Przybyłowicz, sr. v.p. & dir.-research; Cornelius J. Murphy, sr. v.p. & gen. mgr.-mfg.; Frank Strong, sr. v.p. & gen. mgr.-customer & marketing support operations.

Directors: Colby H. Chandler*, chairman; Walter A. Fallon, Juanita M. Kreps, Roger E. Anderson, Kendall M. Cole*, Robert S. Hatfield, Charles T. Duncan, Toy F. Reid*, John G. Smale, William L. Sutton*, Kay R. Whitmore*, J. Phillip Samper*, David S. Saxon, Paul L. Smith*, John F. Burlingame.

* Member of the Executive Committee.

Business Activities: Develops, manufactures and markets still and motion picture cameras and projectors, lenses, microfilming units, and professional photographic equipment; photographic films, papers, plates and chemicals; business equipment and related products, including copier-duplicators; radiographic products; light-sensitive materials for scientific use, positive-working photoresists for fabricating circuit boards, duplicating plates for making negative copies of printed circuits; man-made fibers, industrial chemicals and plastics.

Textile-related products include Kodol polyester staple fiber, Kodol polyester filament yarn, Estron acetate yarn, Chromspun solution-dyed acetate yarns, used in apparel, apparel fabrics, home furnishings, fiberfill, non-wovens, and industrial applications.

Textile Trademarks and/or Brand Names: Anloft, Chromspun, Eastman, Eastobond, Eastobrite, Eastone, Eastrobond, Estron, SLR, Kodosoff, Kodofill, Kodol, Loftura, Verel.

Divisions and Subsidiaries:

Photographic and Information Management Division
Life Sciences Division
Bio-Products Division
Laboratory & Research Products Division
Pharmaceuticals Division
Clinical Products Division
Health Sciences Division
Mass Memory Division

Kodak Park Division
1669 Lake Avenue
Rochester, New York 14650
(716) 458-1000

Kodak Apparatus Division
901 Elm Grove Road
Rochester, New York 14650
(716) 724-4000

Business Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Motion Picture and Audiovisuals Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Consumer Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Graphics Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Photofinishing Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Eastman Technology, Inc.
343 State Street
Rochester, New York 14650
(716) 724-4000

Professional Photography Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Customer Equipment Services Division
800 Lee Road
Rochester, New York 14650
(716) 458-6143

Eastman Chemicals Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Fab Industries, Inc.

Arkansas Eastman Company
P.O. Box 2357
Batesville, Arkansas 72501
(501) 698-1811

Carolina Eastman Company
P.O. Box 1782
Columbia, South Carolina 29202
(803) 794-9200

Tennessee Eastman Kodak
P.O. Box 511
Kingsport, Tennessee 37662
(615) 246-2111

Texas Eastman Company
P.O. Box 7444
Longview, Texas 75601
(214) 757-6611

Eastman Gelatine Corporation
227 Washington Street
Peabody, Massachusetts 01960
(617) 531-1700

Atex, Inc.
Bedford, Massachusetts

Kodak Canada Inc.
3500 Eglinton Avenue West
Toronto, Ontario, M6M 1V3 Canada
(416) 766-8233

Kodak Limited
P.O. Box 66
Kodak House
Station Road, Hemel Hempstead
Hertfordshire, HP1 1JU, England

Kodak-Pathe S.A.
8-26 rue Villiot
75008-Paris, Cedex 12
France

Kodak A.G.
Postfach 369
7000 Stuttgart 60, Germany

Kodak (Australasia) Pty. Ltd.
173-3058 Elizabeth Street
Coburg, Victoria, Australia

Kodak Brasileira C.I.L.
Av. Brigadier Faria Lima, 1815, 7th Floor
Caixa Postal 225
Sao Paulo, 01000 Brazil

Datatype Division
Manufactures high-technology digital & analog recording equipment.

Eastman Kodak International Sales Corporation
Torrey Pines Realty Company, Inc.
Garlic Development Corporation
Kodak Programs, Inc.
Cyclotomics, Inc.
Diconix, Inc.
Ektron Applied Imaging, Inc.
Qualis Photofinishing Company
Eastman Chemical Products, Inc.
Holston Defense Corporation
Mustang Pipeline Company
Pinto Pipeline Company of Texas
Kodak International Management Corp.
Kodak Processing Laboratory, Inc.
Eastman Kodak Communications, Inc.
Eastman Chemical International Ltd.
Eastman Chemical Brasileira Ltda.
Eastman Chemical International, A.G.
Ectona Fibres Limited
Kodak Argentina, Ltd.
American Photo, S.A.
Kodak Chilena S.A.F.
Foto Interamericana de Colombia, Ltd.
Kodak Mexicana, Ltd.
Kodak Panama, Ltd.
Kodak Export Limited
Laboratorios Kodak Limitada
Foto Interamericana de Peru, Ltd.
Kodak Caribbean, Limited
Kodak Uruguay, Ltd.
Foto Interamericana de Venezuela, S.A.

Acquisition(s):
Verbatim Corporation
Manufacturer and marketer of flexible disks for use in computers and word processing systems.

Eikonix Corporation
Designs and manufactures digital image-processing equipment.

Transfer Agent(s):
Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

First Jersey National Bank
1 Exchange Place
Jersey City, New Jersey 07303

Stock Exchange(s): New York, Midwest, Pacific, Boston, Phila-Balt-Wash., Paris, London

Ticker Symbol: EK

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	\$ 10,631,000	\$ 332,000
1984	10,600,000	923,000
1983	10,170,000	565,000
1982	10,815,000	1,162,000
1981	10,337,000	1,239,000
	No. of Com. Shares +	Earn per Share #
1985	225,700,000	\$ 1.46
1984	233,400,000	3.80
1983	248,400,000	2.28
1982	248,300,000	4.75
1981	243,700,000	5.11

+ Adjusted to reflect stock split.
Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$2.43	—	3-for-2
1984	2.40	—	—
1983	2.37	—	—
1982	2.37	—	—
1981	2.33	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1985	\$ 6,562,000	\$ 29.07
1984	7,137,000	30.58
1983	7,520,000	30.27
1982	7,541,000	30.37
1981	6,770,000	27.78

Adjusted to reflect stock split.

Income Account *

	12/29/85	12/30/84
Net sales	\$ 10,631,000	\$ 10,600,000
Cost of sales	7,129,000	6,887,000
Expenses	2,378,000	2,166,000
Unusual charges	563,000	—
Oper. profit	\$ 561,000	\$ 1,547,000
Investment income	129,000	140,000
Total	\$ 690,000	\$ 1,687,000
Interest exp.	183,000	114,000
Other income	(23,000)	(51,000)
Income before taxes	\$ 530,000	\$ 1,624,000
Income taxes	198,000	701,000
Net Income	\$ 332,000	\$ 923,000

* Included in Costs and Expenses. Depreciation \$838,000,000 in 1985 and \$760,000,000 in 1984.

	Assets (000's)	12/29/85	12/30/84
As of			
Cash	\$	161,000	\$ 192,000
Marketable securities		652,000	819,000
Receiv., net		2,346,000	2,050,000
*Inventories		1,940,000	1,758,000
Deferred inc. taxes		397,000	125,000
Prepaid expenses		181,000	187,000
Current Assets	\$	5,677,000	\$ 5,131,000
#Fixed assets		5,977,000	5,389,000
Other assets		488,000	258,000
Total Assets	\$	12,142,000	\$ 10,778,000

Liabilities

	Liabilities (000's)	12/29/85	12/30/84
Payables	\$	2,989,000	\$ 1,828,000
Dividends payable		180,000	210,000
Income & other taxes		156,000	268,000
Curr. Liabilities	\$	3,325,000	\$ 2,306,000
Long-term borrowings		988,000	409,000
Other liabilities		219,000	203,000
Deferred inc. taxes		1,048,000	723,000
+ Common stock		621,000	414,000
Add. paid-in capital		312,000	520,000
Retained earnings		6,710,000	6,931,000
Treasury Stock		(1,081,000)	(728,000)
Total Liabilities & Shareholders' Equity	\$	12,142,000	\$ 10,778,000

* At cost (LIFO) which is not in excess of market.
Less accumulated depreciation.
+ \$2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.99	15.32
%Net Income to Sales	3.12	8.71
%Net Income to Equity	5.06	12.93
Sales to Inventories	5.48	6.03
Debt to Equity	0.15	0.06
Working Capital	\$2,352,000,000	\$2,825,000,000
Current Ratio	1.71	2.23
Shareholders' Equity	\$6,562,000,000	\$7,137,000,000

Fab Industries, Inc.

200 Madison Avenue
New York, New York 10016
(212) 279-9000

Officers: Samson Bitensky, chairman of the board & president, Howard Soren, v.p. & treasurer, Sherman S. Lawrence, secretary, Ted Hoffman, v.p.-mfg., Steven Myers, v.p.-sales, Susan Bitensky, v.p.-administration.

Directors: Samson Bitensky, Sherman S. Lawrence, Lawrence H. Bober, Louis Feil, Robert L. Rosen.

Business Activities: Engaged in the manufacturing and marketing of knitted textile products—tricot, warp knits and double knit fabrics, printed knits—and urethane coated fabrics used extensively by the apparel, accessory and home furnishings industries.

Trademarks and/or Brand Names: SuperSuede, Bouclette, Frost Fire, SuperSuede-Plus, Wispasuede, SuperSuede Bonded, DoubleSuede, SuperSuede II, Panavelle, Panalure, Crepe Candide, Fabiana, Fabiella, Matte Grande.

Plant Location(s): Amsterdam, N.Y.; Lincolnton, Cherryville, Salisbury, and Maiden, N.C.

Fab Industries, Inc.

Divisions and Subsidiaries:

Adirondack Knitting Mills, Inc.
4 Prospect Street
Amsterdam, New York

Fab Craft Division
Fab Lace, Inc.
Raval Lace Division
Fab Print Division
Fab Athletic/Recreational Division
Circular Knit Division
Fab Home Furnishings Division
Fab Industrial Fabrics Division
Singer Retail Division
Fab International Ltd.
Adirondack Knitting Mills Division
Consumer Products Division
Salisbury Manufacturing Corporation
Raval Designer Lace Division
Fab-Tek Division

Gem Urethane Corp.
Building #16
De Graff Street
Amsterdam, New York 12010

Mohican Mills Division
P.O. Box 190
Route 3
Lincolnton, North Carolina 28092

Travis Mills, Inc.
Lutz, Pennsylvania

Travis Knits, Inc.
Cherryville, North Carolina

Lamatronics Industries, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, N.Y. 10001

Stock Exchange(s): American

Ticker Symbol: FIT

Sales and Earnings

	Net Sales	Net Income
1985	\$ 107,348,000	\$ 8,683,000
1984*	114,897,000	9,753,000
1983	98,942,000	8,120,000
1982	94,295,000	7,194,000
1981	116,919,000	7,174,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,632,037	\$ 2.39
1984*	3,823,937	2.55
1983	3,829,065	2.12
1982	3,901,823	1.84
1981	3,947,742	1.82

* 53 weeks.

‡ Based on the average number of shares of common stock and common stock equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.50	—	—
1984	0.40	—	—
1983	0.35	—	5-for-3
1982	0.30	—	—
1981	0.30	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 70,681,000	\$ 19.46
1984	63,994,000	16.74
1983	58,566,000	15.32
1982	52,166,000	13.52
1981	46,773,000	11.89

‡ Based on the average number of shares of common stock and common stock equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	11/30/85	12/1/84
Net sales	\$ 107,348,000	\$ 114,897,000
Cost of sales	88,725,000	94,287,000
Expenses	10,374,000	11,410,000
Dividend & interest income	(3,528,000)	(3,062,000)
Real gain on sale of secur.	(177,000)	—
Adj. for leveraged leases	806,000	757,000
Unreal loss (gain) on secur.	(559,000)	806,000
Income bef. taxes	\$ 11,707,000	\$ 10,699,000
Income taxes	3,024,000	3,345,000
DISC tax reversal	—	(2,399,000)
Net Income	\$ 8,683,000	\$ 9,753,000

* Included in Costs and Expenses, Depreciation: \$2,873,000 in 1985 and \$2,499,000 in 1984.

Assets

As of	11/30/85	12/1/84
Cash	\$ 11,643,000	\$ 6,533,000
Marketable secur.	29,291,000	27,483,000
Accts. receiv., net	19,628,000	18,159,000
*Inventories	17,547,000	17,597,000
Other assets	1,536,000	1,292,000
Current Assets	\$ 79,645,000	\$ 71,064,000
Investments	3,858,000	4,122,000
#Fixed assets	22,726,000	20,459,000
Other assets	234,000	248,000
Total Assets	\$ 106,463,000	\$ 95,893,000

Liabilities

	11/30/85	12/1/84
Notes payable	\$ 100,000	\$ 478,000
Accts. payable & accruals	11,302,000	7,216,000
Purchase on treasury stock	—	2,872,000
Accrued payroll	3,734,000	3,221,000
Other taxes	1,615,000	1,499,000
Dividend payable	1,816,000	1,453,000
Other liabilities	996,000	694,000
Curr. Liabilities	\$ 19,563,000	\$ 17,433,000
Notes payable	306,000	635,000
Long-term debt	977,000	1,424,000
Deferred inc. taxes	11,506,000	9,691,000
Deferred credit	767,000	1,507,000
Other liabilities	2,483,000	1,209,000
+ Common stock	765,000	765,000
Retained earnings	72,968,000	66,101,000
Treasury stock	(2,872,000)	(2,872,000)
Total Liabilities & Shareholders' Equity	\$ 106,463,000	\$ 95,893,000

* At lower of cost (FIFO and LIFO) or market.

Less accumulated depreciation.

+ \$0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.91	9.31
%Net Income to Sales	8.09	8.49
%Net Income to Equity	12.28	15.24
Sales to Inventories	6.12	6.53
Debt to Equity	0.02	0.15
Working Capital	\$60,082,000	\$53,631,000
Current Ratio	4.07	4.08
Shareholders' Equity	\$70,681,000	\$63,994,000

Officers: William F. Farah, chairman of the board & chief exec. officer; James C. Farah, president & chief operating officer; Richard L. Jaeger, chief financial officer & treasurer; William W. Compton, exec. v.p.; Jack R. Green, v.p. & corp. secretary; Robert N. Farah, exec. v.p.; Thaddeus D. Lepkowski, v.p.-information services; Carlos R. Ortiz, v.p.-administration; Rebecca M. Cuellar, asst. secretary; James C. Swaim, v.p.-finance.

Directors: William F. Farah*, Richard N. Azar, Richard L. Jaeger*, H. Tati Santisteban, Charles C. Wood, Robert N. Farah*, Joshua N. Kain, Haleem Farah, James C. Farah*, William W. Compton, Mel L. Bucharach, Steven M. Miska.

* Member of the Executive Committee.

Business Activities: Engaged in the production and marketing of blazers, dress and casual trousers, and jeans.

Trademarks and/or Brand Names: FARAH, Farah Clothing Company, Savanne, John Henry, N.P.W., E. Joven, WFF Designer.

Plant Locations: El Paso, Texas; Las Cruces, New Mexico; Kowloon, Hong Kong; Galway, Ireland.

Subsidiaries:

Farah Manufacturing Australia Pty. Limited
715-721 Elizabeth Street
Waterloo, NSW 2017, Australia

Farah (Far East) Limited
COW Building, 16th Floor
388 Castle Peak Road
Tsuen Wan, N.T., Hong Kong

Farah Japan Limited
No. 2 Mochizuki Bldg.
6-16, 2-Chome, Shibaura
Minato-Ku, Tokyo 108
Japan

Farah Manufacturing (U.K.) Limited
Unit 2a Gatwick Gate Estate
Charlwood Road, Lowfield Heath
Crawley Sussex RH11 0JS
England

Farah (Exports) Ireland Limited
Ashe Road, Shantalla
Galway, Ireland

Value Slacks, Inc.
8889 Gateway West
El Paso, Texas 79925

Genera Sportswear Company, Inc.
18 West Mercer
Seattle, Washington 98119

Transfer Agent(s):

MBank, N.A.
Main at Ervay
P.O. Box 5415
Dallas, Texas 75222

Stock Exchange(s): New York, Pacific

Ticker Symbol: FRA

Sales and Earnings

	Net Sales	Net Income ‡
1985	\$ 322,350,000	\$ 17,919,000
1984	250,772,000	15,568,000
1983	206,435,000	20,998,000
1982	194,278,000	15,548,000
1981	168,842,000	10,964,000
	No. of Com. Shares	Earn. per Share ‡ +
1985	5,849,134	\$ 3.04
1984	5,797,769	2.51
1983	6,447,130	3.19
1982	6,222,270	2.46
1981	5,995,614	1.74

‡ Including extraordinary credits of \$7,440,000 (\$1.26 per share) in 1985; \$6,258,000 (\$0.95 per share) in 1983; \$5,156,000 (\$0.82 per share) in 1982 and \$4,734,000 (\$0.75 per share) in 1981.

+ Based on the weighted average number of shares outstanding.

Farah Manufacturing Company, Inc.

8889 Gateway West
El Paso, Texas 79925
(915) 593-4444

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 71,711,000	\$ 12.26
1984	56,641,000	9.77
1983	64,168,000	9.95
1982	44,660,000	7.18
1981	29,686,000	4.95

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	\$ 322,350	\$ 250,772
Cost of sales	226,065	171,391
Expenses	73,969	52,581
Interest expense	6,220	3,405
For. curr. exch. losses	1,261	58
Other income	(1,110)	(928)
Gain on sale of assets	(416)	(153)
Income before taxes	\$ 16,361	\$ 24,418
Income taxes	5,882	8,850
Net Income	\$ 10,479	\$ 15,568
Extraord. gain	7,440	—
Net Income & extraord. gain	\$ 17,919	\$ 15,568

* Included in Costs and Expenses, Depreciation and Amortization: \$6,090,000 in 1985 and \$2,690,000 in 1984.

Assets
(000's)

As of Oct. 31	1985	1984
Cash	\$ 5,042	\$ 5,867
Accts. receiv., net	63,626	63,358
*Inventories	67,125	53,571
Prepaid expenses	4,016	4,572
Current Assets	\$ 139,809	\$ 127,368
#Fixed assets	24,405	22,239
Trademarks	9,702	9,930
Other assets & defer. charges	19,337	14,640
Total Assets	\$ 193,253	\$ 174,177

Liabilities
(000's)

Short-term debt	\$ 33,292	\$ 24,419
Accts. payable	26,089	20,678
Accruals	15,946	13,822
Other curr. liab.	1,870	1,812
Income taxes	4,219	2,841
Acquisition payments	4,658	—
Curr. Liabilities	\$ 86,074	\$ 63,572
Long-term debt	27,636	52,819
Non-current liab.	7,832	1,145
+ Common stock	26,879	26,642
Add. paid-in capital	23,814	23,346
Foreign currency adjustment	(2,674)	(4,429)
Retained earnings	43,979	31,197
Treasury stock	(20,287)	(20,115)
Total Liabilities & Shareholders' Equity	\$ 193,253	\$ 174,177

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$4 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.08	9.74
%Net Income to Sales	3.25	6.21
%Net Income to Equity	14.61	27.49
Sales to Inventories	4.80	4.68
Debt to Equity	0.85	1.36
Working Capital	\$53,735,000	\$63,796,000
Current Ratio	1.62	2.00
Shareholders' Equity	\$71,711,000	\$56,641,000

Farley/Northwest Industries, Inc.

(Formerly Northwest Industries, Inc.)
(a wholly owned subsidiary of Farley Holding Corporation, which in turn is a 51%-owned subsidiary of Farley Metals, Inc.)

6300 Sears Tower
Chicago, Illinois 60606
(312) 876-7000

Officers: William F. Farley, chairman of the board, president & chief exec. officer; William K. Hall, exec. v.p. & chief operating officer; Richard M. Cion, exec. v.p. & chief financial officer; William H. Vrba, exec. v.p.-administration & operations & secretary; Robert J. Meier, treasurer & controller.

Directors: William F. Farley, chairman; William K. Hall, Richard M. Cion, Leon D. Black, Douglas M. Kinney, Allan B. Muchin.

Business Activities: Engaged in the production and marketing of men's, women's and children's underwear, screen print T-shirts, and western, work, leisure and dress boots. Also manufactures automotive replacement batteries, industrial batteries and chargers.

Textile Trademarks and/or Brand Names: Fruit of the Loom, B. V. D., Screen Stars, Acme, Dingo, Dan Post, Lucchese, Underoos, Uniprints.

Textile Plant Location(s): Aliceville, Brundidge, Fayette, Jacksonville & Winfield, Ala.; Batesville, Miss.; Bowling Green, Jamestown, Campbellsville & Frankfort, Ky.; Lexington, S.C.; Kings Mountain, Albemarle & Franklinton, N.C.; Jeanerette & St. Martinville, La.

Divisions and Subsidiaries:

Union Underwear Company, Inc.
Bowling Green, Kentucky

Acme Boot Company, Inc.
Clarksville, Tennessee

General Battery Corporation
Reading, Pennsylvania

Farley/Northwest Subsidiary Corp.
Chicago, Illinois

Northwest Industries Leasing Company
Chicago, Illinois

Transfer Agent(s):

Manufacturers Hanover Trust Co. (preferred stock)
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): American (preferred stock)

Sales and Earnings X

	Net Sales †	Net Income ‡
12/31/85*	\$ 456,100,000	\$ 11,000,000
7/31/85†#	506,000,000	(83,900,000)
12/31/83#	1,003,300,000	77,500,000
12/31/82#	938,200,000	(80,400,000)
12/31/81#	907,800,000	184,600,000

	No. of Com. Shares	Earn. per Share
12/31/85*	25,000	\$ —

(Loss)

* 5 months.

† 7 months.

Predecessor company.

X On July 31, 1985, Northwest Industries, Inc., the predecessor of Farley/Northwest Industries, Inc. was merged into the Company, completing the acquisition of Northwest. All of the outstanding common stock of the Company is owned by Farley/Northwest Holding Corporation. A majority of the common equity of Farley Holding is owned by FMI.

† Of continuing operations only.

‡ Including extraordinary loss of \$9,300,000 in the seven months ended July 31, 1985.

Revenues By Line of Business

	12/31/85 \$ (5 months)	7/31/85 \$ (7 months)
Consumer soft goods	303,700,000	385,400,000
Batteries	152,400,000	120,600,000
Total	\$ 456,100,000	\$ 120,600,000

Common Stock Equity

	Total Equity	Equity Per Share
12/31/85	\$ 81,900,000	\$ —
7/31/85#	118,600,000	—
12/31/84#	570,200,000	—
12/31/83#	602,800,000	—

Predecessor company.

Income Account*
(000's)

Year ended	(2/31/85 \$ months)	7/31/85 † \$ months)
Net sales	\$ 456,100	\$ 506,000
Cost of sales	307,800	360,200
Expenses	57,700	83,000
Interest expense	51,400	26,700
Goodwill amortization	9,000	700
Other expense	600	91,800
Income (loss) bef. taxes	\$ 29,600	\$ (56,400)
Income taxes (credit)	21,300	(6,800)
Inc. (loss)- cont. oper.	\$ 8,300	\$ (49,600)
(Loss)-discont. oper.	2,780	(13,100)
Cum. effect - change in acctng. for inven.	—	(11,900)
Net Income (Loss)	\$ 11,000	\$ (74,600)
Extraord. loss	—	(9,300)
Net Income & Extraord. loss	\$ 11,000	\$ (83,900)

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: \$22,900,000 in period ending 12/31/85 and \$20,000,000 in period ending 7/31/85.

† Predecessor company.

Assets
(000's)

As of Dec. 31	1985	1984 †
Cash & cash equiv.	\$ 47,000	\$ 86,400
Accts. receiv., net	146,900	72,600
Refundable taxes	7,000	7,900
*Inventories	198,300	190,300
Other curr. assets	6,500	6,100
Current Assets	\$ 405,700	\$ 363,300
#Fixed assets	236,800	219,500
Net assets - discont. oper.	345,300	659,000
Invest. in Pogo.	—	90,000
Goodwill	838,000	37,300
Other assets	17,000	17,200
Total Assets	\$ 1,842,800	\$ 1,386,300

Liabilities
(000's)

Long-term debt, curr.	\$ 88,700	\$ 33,200
Accts. payable	58,200	41,400
Interest payable	42,300	22,100
Accrued payroll	18,300	18,900
Accrued insur. claims	18,100	24,800
Other accruals	57,200	51,300
Curr. Liabilities	\$ 282,800	\$ 191,700
Long term debt	1,046,300	403,700
Deferred inc. taxes	205,200	171,700
Other liabilities	65,000	21,900
Redeemable preferred stock	160,000	27,100
+ Common stock	80,000	216,500
Retained earnings	500	409,700

Farley/Northwest Industries, Inc.

Loss on market secur.	—	(48,400)
Curr. trans. adjust.	1,400	(7,600)

Total Liabilities & Shareholders' Equity	\$ 1,842,800	\$ 1,386,300
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† Predecessor Company.

* At lower of cost (LIFO) or market, FIFO prior to 1985.

Less accumulated depreciation.

+ \$0.01 par value; no par value for predecessor company.

Statistical Summary

%Net Income to Equity	13.43	—
Sales to Inventories	2.30	2.66
Debt to Equity	—	0.77
Working Capital	\$122,900,000	\$171,600,000
Current Ratio	1.43	1.90
Shareholders' Equity	\$ 81,900,000	\$570,200,000

Fieldcrest Cannon Inc.

Eden, North Carolina 27288
(919) 627-3000

Officers: Joseph B. Ely, II, chairman of the board & chief exec. officer; Francis X. Larkin, vice chairman, president & chief operating officer; Charles G. Horn, exec. vice president; W. Randle Mitchell, Jr., exec. v.p. & chief financial officer; K. William Fraser, Jr., sr. v.p.; W. Giles Hunnings, Jr., Chris L. Kametches, Edward J. C. Molitor, Larry W. Owen, Osborne L. Raines, William O. Stone, v.p.'s; M. Kenneth Doss, gen. counsel & secretary; Lawrence I. Mann, treasurer; Stanley P. Barringer, asst. secretary; Thomas R. Staab, asst. controller.

Directors: Richard P. Chapman*, C.R. Charbonnier, F.C. Dumaine*, Joseph B. Ely, II*, Albert B. Hunt*, Hamilton M. Redman*, Arthur O. Wellman, Thomas B. Stanley, Jr.*, Alonzo G. Decker, Jr., John Rudel, Henry Wheeler, Francis X. Larkin, Noah T. Herndon

* Member of the Executive Committee.

Business Activities: Manufactures and markets a complete range of bed and bath products under the "Fieldcrest" and "St. Mary's" brand names and carpets under the "Karastan" and "Laurelcrest" brand names. Also engaged in the finishing services and the production of carded and combed yarns of all cotton, blends of polyester-cotton, and all synthetic fibers.

Trademarks and/or Brand Names: Fieldcrest, St. Mary's, Karastan, Laurelcrest.

Plants, Divisions & Subsidiaries:

Bed and Bath Division
60 West 40th Street
New York, New York

Carpet and Rug Division
919 Third Avenue
New York, New York

North Carolina Finishing
104 West 40th Street
New York, New York

Fieldcrest & Cannon
Eden & Kannapolis, North Carolina

Swift Spinning Mills
Columbus, Georgia

Auto Blankets
Smithville, North Carolina

Bath Rugs
Scottsboro, Alabama
Dalton, Georgia

Bedsprings
Eden, Kannapolis & Albemarle, North Carolina

Bedding Accessories
Eden & Kannapolis, North Carolina

Blankets
Eden, North Carolina

Sheets
Eden, Forest City, Salisbury, Kannapolis, Rockwell, Concord,
China Grove, North Carolina

Towels
Fieldale, Virginia
Columbus, Georgia
Phenix City, Alabama
Concord, North Carolina
York, South Carolina

Foremost Screen Print
Stokesdale, North Carolina

Carpet and Rugs
Eden & Laurel Hill, North Carolina

Carpet and Rug Yarns
Greenville & Laurel Hill, North Carolina

Delaware Valley Wool Scouring Co.
Philadelphia, Pennsylvania

North Carolina Finishing
Salisbury, North Carolina

Comforters
Eden, Kannapolis & Albemarle, North Carolina

Kitchen Products
Kannapolis, North Carolina

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): New York

Ticker Symbol: FLD

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	\$ 586,092	\$ 13,062
1984	572,821	4,143
1983	550,515	15,060
1982	491,955	10,417
1981	526,151	9,512
	No. of Com. Shares	Earn. per Share #
1985	3,900,746	\$ 3.35
1984	3,867,525	1.07
1983	3,860,977	3.89
1982	3,798,409	2.73
1981	3,791,134	2.49

Based on the weighted average number of shares outstanding.

Revenues By Line of Business (000's)

	1985	1984
Bed & bath products	\$ 393,000	\$ 385,143
Rugs & carpets	158,323	143,542
Other	34,769	44,136
Total	\$ 586,092	\$ 572,821

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.25	—	—
1984	2.00	—	—
1983	2.00	—	—
1982	2.00	—	—
1981	2.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	\$ 181,163	\$ 46.44
1984	172,096	44.50
1983	175,001	45.33
1982	166,570	43.85
1981	163,328	43.08

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 586,092	\$ 572,821
Cost of sales	461,533	458,462
Expenses	93,761	88,505
Oper. profit	\$ 30,798	\$ 25,854
Interest expense	8,516	9,464
Charge for restructuring	—	10,800
Other income	(400)	(453)
Income before taxes	\$ 22,682	\$ 6,043
Income taxes	9,620	1,900
Net Income	\$ 13,062	\$ 4,143

* Included in Costs and Expenses, Depreciation: \$15,299,000 in 1985 and \$14,815 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 2,572	\$ 6,006
Accts. receiv., net	105,897	93,064
*Inventories	87,048	73,529
Prepaid expenses & other assets	6,413	11,000
Current Assets	\$ 201,930	\$ 183,599
#Fixed assets	169,834	169,506
Defer. charges & other assets	1,307	10,322
Total Assets	\$ 373,071	\$ 363,427

Liabilities (000's)

Long-term debt, curr.	\$ 4,832	\$ 4,620
Accts. payable	33,495	32,119
Income taxes	—	769
Accruals	35,877	41,192
Curr. Liabilities	\$ 74,204	\$ 78,700
Long-term debt	82,697	78,742
Cap. lease oblig.	2,738	2,081
Deferred inc. taxes	28,392	26,105
Other liabilities	3,877	5,703
+ Common stock	34,200	33,555
Add. paid-in capital	8,923	8,697
Retained earnings	138,040	129,844
Total Liabilities & Shareholders' Equity	\$ 373,071	\$ 363,427

* At lower of cost (78% at LIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.87	1.05
%Net Income to Sales	2.23	0.72
%Net Income to Equity	7.21	2.41
Sales to Inventories	6.73	7.79
Debt to Equity	0.50	0.50
Working Capital	\$127,726,000	\$104,899,000
Current Ratio	2.72	2.33
Shareholders' Equity	\$181,163,000	\$172,096,000

Figgie International Inc.

1000 Virginia Center Parkway
Richmond, Virginia 23295
(804) 264-5600

Officers: Harry E. Figgie, Jr., chairman of the board and chief executive officer; William G. Gilmore, John W. Partridge, sr. v.p.'s; James S. Anderson, vice president-industrial relations; John M. Fitzpatrick, v.p.-gov't. relations; Gary O. Haglund, group vice president; Charles B. Miner, v.p.; Joseph J. Skadra,

v.p. & controller, L. A. Harthun, sr. v.p. -international, general counsel & secretary, Charles C. Rieger, Jr., Mike Trbovich, group v.p.'s.

Directors: Harry E. Figgie, Jr., Dale S. Coenen, Ewing T. Boles, Alfred V. Gangnes, Paul F. Hellmuth, Walter M. Vannoy, Robert A. Weaver, Jr., Gerald K. Rugger, Russel W. McFall, Harrison Nesbit, II, Hans Ulrich Rinderknecht, Harold B. Scott, John N. Dalton, Harry E. Figgie, III, John S. Lanahan, F. Rush McKnight.

Business Activities: Comprised of over 35 principal divisions and subsidiaries, Figgie's business can be grouped into five areas: consumer and recreation products; fire protection/safety; security; services, technical products; and machinery & products.

Divisions and Subsidiaries:

Technical Group

Hartman Electrical Manufacturing
175 North Diamond Street
Mansfield, Ohio 44902
(419) 524-1411

Electrical power switching and solid state controls. Contractors, relays and protective devices.

Hartman Systems
360 Wolf Hill Road
Huntington Station, L.I., New York 11746
(516) 427-7500

Fully integrated electronic systems and products for government and industry; Military display systems; Command and control systems; Telecommunication systems; Telephone management systems.

Interstate Electronics
1001 East Ball Road
Anaheim, California 92805
(714) 758-0500

Voice data entry computer terminals; Plasma display terminals; Military command and control display systems; Signal processing systems; Off-shore oil platform data systems; Environmental surveys and services; Instrumentation and missile tracking systems.

Interstate Voice Products
1849 W. Sequoia Avenue
Orange, California 92668
(714) 937-9010

Speech recognition and speech response products, including chips, boards and complete turnkey systems for commercial, consumer and military markets.

RES/Rusco Electronic Systems
1840 Victory Boulevard
Glendale, California 91201
(818) 240-2540

Electronic Cardentry access controls, copy machine and fuel-control monitoring systems. Time and attendance data collection, and parking-control systems. Bank and identification cards.

Consumer Group

Figgie Licensing Division
Richmond, Virginia 23295
(804) 264-5600

Worldwide trademark licensing of consumer products, principally Fred Perry and Rawlings Sportswear, activewear and hard goods.

Rawlings Sporting Goods
2300 Delmar Boulevard
St. Louis, Missouri 63126
(314) 349-3500

Full line of sports equipment for baseball, football, basketball, soccer, boxing, badminton, golf, hockey, tennis and wrestling. Uniforms, jackets and shoes.

Fred Perry Sportswear (U.K.) Ltd.
Brndport Road
London, N18, 1 SN England

Designer, manufacturer and worldwide marketer of high fashion tennis clothing and sports apparel.

Interstate Engineering
522 East Vermont Avenue
Anaheim, California 92805
(714) 778-5700

Residential smoke detectors and fire alarms. Compact home vacuum cleaners. Wireless IEC Security System. Aluminum and zinc die castings.

Thermometer Corporation of America
567 East Pleasant Street
Springfield, Ohio 45505
(513) 325-0456

Thermometers, hydrometers, humidity and weather instruments. Tru-Temp thermometers and cooking instruments.

Sherwood-Drolet Corp. Ltd.
2745 Sherwood Blvd.
Sherbrooke, Quebec J1K 1E1
Canada
(819) 563-2202

Design, manufactures and markets hockey sticks.

Fire Protection and Safety

Advance Security
3330 Peachtree Road
Atlanta, Georgia 30305
(404) 231-1210

Security consultation. Uniformed security guards. Fire, safety, security systems and equipment. Industrial and business investigative service. Large area protection.

"Automatic" Sprinkler Corp. of America
P.O. Box 180
Cleveland, Ohio 44147
(216) 526-9900

Sprinkler systems; control valves; sprinkler heads; spray nozzles; "Rate-of-Rise" and electric detection systems; electronic control panels; alarms; hydraulically calculated and special hazards fire protection systems. Fabrication, inspection and maintenance services; Range Guard fire extinguishing systems.

Badger-Powhatan
P.O. Box 7146
Charlottesville, Virginia 22906
(804) 973-4361

Portable water, carbon dioxide, and dry chemical fire extinguishers. Halon systems. Range hoods. "Blaze Guard" fire hose and couplings. Brass products for fire protection, industrial and municipal applications.

Scott Aviation
225 Erie Street
Lancaster, New York 14086
(716) 683-5100

Oxygen and air breathing systems, light aircraft accessories. Gas masks and respiratory devices. Gas analyzers and alarms. Air pollution detection and control equipment. Safety and first aid equipment.

Snorkel
P.O. Box 65-Stockyards Station
St. Joseph, Missouri 64504
(913) 989-4481

Aerial type water delivery systems for fire fighting apparatus, articulated and telescopic booms, extendable ladders and aerial platforms.

Industrial Group: Machinery & Products

Consolidated Packaging Machinery
11980 Waldon Ave.
Alden, New York 14004
(716) 937-3361

High-speed automatic capping equipment for bottles, cans and other containers; crimpers; cotton stuffers; scales; bagclosers; gravity paper bag fillers and closers.

Geo. J. Meyer Manufacturing
Charleston, South Carolina 29411
(803) 572-6640

Packaging and bottling equipment. Labeling machinery. Case palletizers, Bottle rinsing and inspection equipment.

Scott Huber Essick
P.O. Box 10263
Charleston, South Carolina 29411
(803) 797-5300

Road-building and construction equipment. Huber motor grader, rollers and maintainers, Scott hydraulic cranes. Smith truck-mounted turbine and tilter concrete mixers.

Kersey/American LaFrance
600 Mountain Lane
Bluefield, Virginia 24605
(703) 326-1121

Battery-powered tractors, scoops, supply cars, coal cars, hydraulic self-unloading cars, battery chargers, batteries and motors for underground coal mining.

Logan Co.
P.O. Box 6107
Louisville, Kentucky 40206
(502) 587-1361

Conveyor equipment and material handling systems. Wire partitions and window guards, folding gates. Spiral stairs and ornamental ironwork. Automated package and parcel sorting systems.

Safway Steel Products
6228 West State Street
Milwaukee, Wisconsin 53213
(414) 258-2700

Steel scaffolding and shoring systems. Portable bleachers. Powered mobile platforms and swing stages.

Figgie Hydraulic Products
1777 Morgantown Ave.
Fairmont, West Virginia 26544
(304) 366-4730

Hydraulic pumps, motors and parts; blowers; hydraulic valves, snow plow rams and precision machine products; custom gears for mining, constructions and hydraulic equipment.

Akron Packaging Machinery
Akron, Ohio 44313
(216) 923-0491

Case packers; uncasers; container dividers; combiners.

Stallman Gear
527 W. Rich Street
Columbus, Ohio 43215
(614) 224-3394

Manufacturer of gears, splined shafts and sprockets supplying the mining machinery, construction equipment, hydraulic gear pump and other machinery markets.

Kline Foundries
P.O. Box 444
Alburtis, Pennsylvania 18011
(215) 946-8464

Gray, ductile and malleable iron castings for transportation, heating, refrigeration, power transmission and construction.

Western Reserve Container
P.O. Box 193
Painesville, Ohio 44077
(216) 946-8464

Corrugated shipping containers; die cut corrugated inserts for product protection; point-of-sale corrugated floor and counter-top displays; protective inserts.

Other Services

Waite Hill Holdings Inc.
Waite Hill Assurance Ltd.
Hamilton 5, Bermuda
(809) 292-6667

Diversified underwriting.

Figgie Insurance Company Ltd.
Hamilton 5, Bermuda
(809) 292-6667

Diversified underwriting.

Colony Insurance Company
Warwick, Rhode Island 02886
(401) 732-0890

Property/casualty underwriting.

Cardinal Casualty Company
Cleveland, Ohio 44130
(216) 826-0335

Property/casualty underwriting.

Waite Hill Services, Inc.
Richmond, Virginia 23295
(804) 261-7000

Insurance services.

Figgie Acceptance Corporation
Richmond, Virginia 23295
(804) 264-5830

Financing subsidiary.

Figgie Communications, Inc.
Richmond, Virginia 23295
(804) 264-5600

Radio and television communications properties, investments and operations.

Figgie International Inc.

Figgie Properties, Inc.
Richmond, Virginia 23295
(804) 264-5840
Real estate management and development.

Figgie Natural Resources
Richmond, Virginia 23295
(804) 264-5600
Oil and gas investments.

Figgie Systems Support Division
Richmond, Virginia 23295
(804) 264-5750
Government services, contracting operations, maintenance and logistics services.

Figgie Systems Management Group, Inc.
4420 Sherwin Road
Willoughby, Ohio 44094
(216) 946-9000
Data processing and systems services; facility services; minicomputer hardware and software; CAD/CAM time sharing; microcomputer systems and training.

Hawthorne Aviation
Sandston, Virginia 23150
(804) 222-7256
Fixed base operations.

International Operations Group

Geo. J. Meyer (Australia) Pty. Ltd.
Figgie International Pty. Ltd.
Australia

"Automatic" Sprinkler Belgium N.V.
Belgium

Figgie do Brasil Industria e Comercio Ltda.
Brazil

Rusco Automatismes Et Systemes Sarl
France

Figgie International Sports, Ltd. S.A.
Haiti

Rawlings Japan Co., Ltd.
Japan

Geo. J. Meyer Mfg. Canada, Ltd.
Sherwood-Drolet Corp. Ltd.
Thermometer Corporation of Canada Ltd.
Adirondack-Sherwood, Inc.
"Automatic" Sprinkler of Canada, Ltd.
Canada

ASCOA "Automatic" Sprinkler G.m.b.H.
Logan Fenamec Transportation G.m.b.H.
Germany

Geo. J. Meyer de Mexico S.A. de C.V.
Smith-Essick de Mexico S.A. de C.V.
Mexico

Anasco Sports Co. Inc.
Chemtronics Caribe, Inc.
Overseas Sports Co., Inc.
Rawlings Sales Co., Inc.
Puerto Rico

Geo. J. Meyer (South Africa) Pty. Ltd.
South Africa

"Automatic" Sprinkler Europe B.V.
"Automatic" Sprinkler Nederland B.V.
Meyer Dumore International B.V.
Netherlands

Wimbledon Shirt Company, Ltd.
Fred Perry & Paynes Ltd.
W. Payne & Company, Ltd.
Figgie (G.B.) Ltd.
Fred Perry Sportswear (UK) Ltd.
Logan Fenamec (UK) Ltd.
Fred Perry Sportswear Ltd.
Meyer Dumore International Ltd.
United Kingdom

Logan Transportteknik AB
Sweden

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIGI (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 803,412,000	\$ 29,238,000
1984	720,686,000	17,413,000
1983	642,319,000	21,355,000
1982	673,834,000	26,058,000
1981	729,237,000	25,690,000
	No. of Com. Shares	Earn. per Share #
1985	5,991,491	\$ 5.03
1984	5,560,481	3.00
1983	5,579,738	3.62
1982	5,901,438	4.18
1981	5,886,571	4.03

+ Of continuing operations only.

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business (000's)

	1985	1984
Consumer	\$ 112,049	\$ 125,447
Fire protection/safety	321,809	286,479
Machinery & products	154,524	139,647
Technical	208,396	162,585
Services	6,634	6,528
Total	\$ 803,412	\$ 720,686

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.68	—	—
1984	0.68	—	—
1983	0.68	—	—
1982	0.68	—	—
1981	0.62	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 218,472,000	\$ 36.46
1984	187,231,000	33.67
1983	179,845,000	32.23
1982	177,348,000	30.05
1981	163,990,000	27.86

‡ After allowing for all preferred stock at their stated values.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 803,412	\$ 720,686
Other income	2,623	5,593
Total Income	\$ 806,035	\$ 726,279
Cost of sales	612,637	550,284
Expenses	125,329	120,681
Interest expense	18,221	18,383
Income before taxes	\$ 49,848	\$ 36,931
Income taxes	20,610	10,030
Inc.-cont. oper.	\$ 29,238	\$ 26,901
Loss-discont. oper.	—	(1,739)
Net Income	\$ 29,238	\$ 17,413

* Included in Costs and Expenses, Depreciation and Amortization: \$19,986,000 in 1985 and \$18,253,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 17,815	\$ 3,572
Accts. receiv., net	147,974	130,234
*Inventories	124,827	119,021
Prepaid expenses	4,124	5,582
Marketable securities	5,537	3,869
Current assets	—	7,478
Current Assets	\$ 300,277	\$ 269,756
#Fixed assets	167,436	136,430
Other assets	86,938	75,661
Leased prop. under cap. leases	6,857	8,072
Other assets	—	3,899
Total Assets	\$ 561,508	\$ 493,818

Liabilities (000's)

Notes payable	\$ 7,376	\$ 6,500
Curr. maturities of long-term debt	13,912	11,795
Accts. payable	38,643	43,069
Accruals	51,781	50,359
Income taxes	320	263
Net liabilities - discount oper.	572	—
Curr. Liabilities	\$ 112,604	\$ 111,986
Long-term debt	168,068	143,024
Deferred liabilities	23,264	19,212
Deferred inc. taxes	39,100	28,000
+ Preference stock	—	4,365
+ + Common stock	599	556
Add. paid-in capital	3,959	1,614
Retained earnings	226,761	201,440
Less unearned compens. rel. to restricted stock pur. plan	(2,940)	(3,938)
Cumulative translation adjustment	(9,907)	(12,441)
Total Liabilities & Shareholders' Equity	\$ 561,508	\$ 493,818

* At lower of cost or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

+ + \$0.10 par value.

Statistical Summary

%Income Bef. Taxes to Sales	6.20	5.12
%Net Income to Sales	3.64	2.42
%Net Income to Equity	13.38	9.09
Sales to Inventories	6.44	6.06
Debt to Equity	0.87	0.84
Working Capital	\$187,673,000	\$157,770,000
Current Ratio	2.67	2.11
Shareholders' Equity	\$218,472,000	\$191,596,000

Finlayson Enterprises Ltd.

833 Oxford Street
Toronto, Ontario M8Z 5X4 Canada
(416) 252-7191

Officers: D.A. McIntosh, chairman of the board; I.E. Finlayson, president; H.W. Ligas, sr. v.p. & gen. mgr.; J.L. Turner, treasurer; R.G. Wilson, vice president; H. Sutherland, secretary.

Directors: G.A. Boddy, F.B. Brooks-Hill, I.E. Finlayson, P.M. Willis, D.A. McIntosh, R.G. Wilson, J.C. Longworth, H. Sutherland, A.H. Crockett, R.G. Thompson.

Business Activities: Engaged in the wholesaling of textile products, manufactures drug and cosmetic products as well as infants' wear.

The Firestone Tire & Rubber Company

Trademarks and/or Brand Names*: Aquaseal, Beautex, Baby Beauty, Drytex, Aqua-Flex, Aqua Seal, Travel Trends, Growin Ups, Seal-Tex, Cezanne, Spider Lash, Kitten, Micro, Maxi, Whisper, Cezanne Gold Pearl, Gold Pearl, "By Beauty", A-Beauty Creation, Beautikins, Carter's By Beauty, Mini, Statex.

* Trademarks of Beauty Creations Limited, a wholly owned subsidiary of Finlayson Enterprises Ltd.

Plant Location(s): Toronto & Hamilton, Ontario

Divisions and Subsidiaries:

Beauty Creations Limited
833 Oxford Street
Toronto, Ontario, Canada M8Z 5X4
Operates the following three divisions:

Griffiths-Kerr Sales Division
833 Oxford Street
Toronto, Ontario, Canada M8Z 5X4
Wholesale distributor throughout Canada of sheets, bedspreads, towels and other domestic textiles.

Beauty Creations Division
833 Oxford Street
Toronto, Canada M8Z 5X4
Manufactures and distributes a line of cosmetics under the brand name "Cezanne" and also various imported fragrances.

Beauty Industries Division
270 Sherman Avenue North
Hamilton, Ontario, Canada
Manufactures and distributes infants' wear under brand names "Carter's by Beauty", "By Beauty".

Upper Canada Soap & Candle Makers Division
Operates in the candle, soap and giftware field, selling in both Canada and the United States.

Transfer Agent(s):

Canada Permanent Trust Company
Toronto, Ontario
Winnipeg, Manitoba

Stock Exchange(s): Winnipeg, Manitoba

Sales and Earnings

	Net Sales	Net Income
1984	\$ 28,679,638	\$ 676,055
1983	20,345,140	411,184
1982	16,042,214	6,226
1981	19,051,817	423,124
1980	14,894,375	441,529
	No. of Com. Shares	Earn. per Share
1984	77,817	\$ 8.21
1983	77,817	4.80
1982	77,817	—
1981	77,817	4.96
1980	77,817	3.19

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	\$0.20	—	—
1983	0.20	—	—
1982	0.20	—	—
1981	0.20	—	—
1980	0.10	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1984	\$ 3,069,310	\$ 39.44
1983	2,446,171	31.43
1982	2,080,121	26.73
1981	2,126,810	27.33
1980	1,756,602	22.57

‡ After allowing for preferred stock at par value.

Income Account

Year ended Dec. 31	1984	1983
Net sales	\$ 28,679,638	\$ 20,345,140
Cost of sales & exp.	26,944,771	19,283,257
Interest expense	438,909	275,425
Depreciation & amortization	132,726	107,912
Income before taxes	\$ 1,163,232	\$ 678,546
Income taxes	487,177	267,362
Net Income	\$ 676,055	\$ 411,184
Assets		
As of Dec. 31	1984	1983
Accts. receiv., net	\$ 4,696,708	\$ 3,885,554
*Inventories	6,300,601	5,204,477
Prepaid expenses	201,808	182,857
Current Assets	\$ 11,199,117	\$ 9,272,888
#Fixed assets	427,956	413,468
Intangibles	8,065	24,181
Total Assets	\$ 11,635,138	\$ 9,710,537
Liabilities		
Bank indebt.	\$ 3,196,596	\$ 1,930,110
Notes payable	472,599	468,551
Accts. payable	3,900,246	3,820,277
Withholding taxes	148,278	103,629
Income taxes	184,173	265,763
Curr. Liabilities	\$ 7,901,892	\$ 6,588,330
Deferred inc. taxes	41,400	53,500
+ Preferred stock	622,536	622,536
+ + Common stock	281,671	281,671
Retained earnings	2,787,639	2,164,500
Total Liabilities & Shareholders' Equity	\$ 11,635,138	\$ 9,710,537

* At lower of cost (FIFO) and net realizable value.

Less accumulated depreciation.

+ \$1 par value, 6% cumulative.

+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.06	3.34
%Net Income to Sales	2.36	2.02
%Net Income to Equity	18.31	13.40
Sales to Inventories	4.55	3.91
Working Capital	\$3,297,225	\$2,684,558
Current Ratio	1.42	1.41
Shareholders' Equity	\$3,691,846	\$3,068,707

The Firestone Tire & Rubber Company

1200 Firestone Parkway
Akron, Ohio 44317
(216) 379-7000

Officers: John J. Nevin, chairman of the board, pres. & chief exec. officer; Leon R. Brodeur, vice chairman of the board; Jay H. Rosenson, vice chairman of the board; J. Robert Anderson, sr. v.p. & chief financial officer; George W. Aucott, pres.-World Tire Group; James H. Bolender, v.p. & controller; Laurance T. Burden, v.p.-management information services; Thomas M. Forinan, v.p. & general counsel; Roy H. Gilbert, v.p.-strategic planning; Donald L. Groninger, v.p.-human resources; Howard E. Hunt, David L. King, Albert G. Kraemer, John H. Musch, Michael A. Wolf, Benjamin G. Ammons, group exec. v.p.'s-World Tire Group; Lawrence J. Lombardo, Terry J. Renninger, James R. Thomas, group exec. v.p.'s-Sales & Service Group; Randall D. Luke, assoc. general counsel & secretary; John E. Rooney, treasurer; A. Mosby Harvey, Jr., T. Jane Robinson, David A. Thomas, Jerry C. Zeman, asst. secretaries; Peter W. Chehayl, asst. treasurer; Donald B. Hutchins; Philip R. Morrison, Dallas E. Stiles, asst. controllers.

Directors: John J. Nevin*, chairman, Leon R. Brodeur*, Kimball C. Firestone*, Richard Laster, Donald S. Perkins,

William G. Phillips*, Paul A. Vatter*, M. Brock Weir*, Jay H. Rosenson*, J. Robert Anderson, Lois D. Rice, Raymond C. Tower, Thomas C. Page.

* Member of the Executive Committee.

Business Activities: Engaged in the development, production, and sale of tires for automobiles, trucks, trailers, buses, agricultural, construction, off-the-highway, and other vehicles in the original equipment and replacement markets. Tires are marketed through thousands of independent dealers and approximately 1,500 company-operated stores, and automotive maintenance and repair services are provided in its retail stores and through participating independent dealers. The Company also produces and sells truck wheels and rims, molded rubber products, single-ply roofing systems, air springs, and synthetic and natural rubber and latex.

Synthetic Fiber & Textile Plant Locations: Hopewell, Va.; Gastonia, N.C.; Woodstock, Ontario, Canada

Divisions and Subsidiaries:

Firestone Synthetic Fibers and Textiles Division
Hopewell, Virginia
Woodstock, Ontario, Canada
Gastonia, North Carolina

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
P.O. Box 24955
Church Street Station
New York, New York 10249

Stock Exchange(s): New York, Midwest, Pacific.

Ticker Symbol: FIR

Sales and Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1985	\$ 3,836,000	\$ 3,000
1984	4,001,000	102,000
1983	3,669,000	111,000
1982	3,702,000	6,000
1981	4,174,000	152,000
	No. of Com. Shares	Earn. per Share ‡
1985	41,092,000	\$ 0.06
1984	43,392,273	2.21
1983	48,429,503	2.26
1982	51,904,018	0.11
1981	57,723,240	2.63

+ Of continuing operations only.

‡ Including extraordinary tax credits of \$9,000,000 (\$0.20 per share) in 1985, \$13,000,000 (\$0.29 per share) in 1984, \$11,000,000 (\$0.23 per share) in 1983, \$4,000,000 (\$0.07 per share) in 1982 and \$6,000,000 (\$0.11 per share) in 1981.

Revenues By Line of Business

	1985	1984
Tires & related prod.		
North American group	\$ 2,621,000	\$ 2,738,000
International group	783,000	831,000
Diversified products	432,000	432,000
Total	\$ 3,836,000	\$ 4,001,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.80	—	—
1984	0.80	—	—
1983	0.60	—	—
1982	0.60	—	—
1981	0.60	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	\$ 1,163,000	\$ 28.30
1984	1,236,000	28.50
1983	1,291,000	26.66
1982	1,303,000	25.10
1981	1,427,000	24.72

The Firestone Tire & Rubber Company

Income Account *

Year ended Oct. 31	1985	1984
Net sales	\$ 3,836,000	\$ 4,001,000
Cost of sales	3,080,000	3,185,000
Expenses	677,000	721,000
Prov for restructuring	105,000	—
For. curr. trans.	4,000	5,000
Interest expense	43,000	41,000
Interest income	(15,000)	(22,000)
Other income	(22,000)	(33,000)
Inc. (loss) bef. taxes	\$ (36,000)	\$ 104,000
Income taxes (credit)	(30,000)	41,000
Inc. (loss)-cont. oper.	\$ (6,000)	\$ 63,000
Inc.-discont. oper.	—	26,000
Net Income (Loss)	\$ (6,000)	\$ 89,000
Extraordinary credit	9,000	13,000
Net Income & Extraord. Credit	\$ 3,000	\$ 102,000

* Included in Costs and Expenses, Depreciation: \$143,000,000 in 1985 and \$133,000,000 in 1984.

Assets (000's)	1985	1984
As of Oct. 31		
Cash & short-term invest.	\$ 118,000	\$ 126,000
Accts. receiv., net	603,000	526,000
*Inventories	504,000	554,000
Prepaid expenses	59,000	82,000
Current Assets	\$ 1,284,000	\$ 1,288,000
Investments	40,000	39,000
#Fixed assets	1,110,000	1,131,000
Other assets	94,000	113,000
Total Assets	\$ 2,528,000	\$ 2,571,000

Liabilities (000's)	1985	1984
Loan payable	\$ 81,000	\$ 56,000
Long-term debt, curr.	19,000	53,000
Accts. payable	260,000	301,000
Accrued comp.	247,000	193,000
Taxes	100,000	130,000
Other accruals	195,000	201,000
Curr. Liabilities	\$ 902,000	\$ 934,000
Long-term debt	234,000	240,000
Unamort. pension recov.	182,000	—
Minority interest	44,000	48,000
Deferred inc. taxes	3,000	113,000
+ Common stock	63,000	63,000
Add. paid-in capital	184,000	187,000
Retained earnings	1,364,000	1,395,000
Foreign curr. trans.	(125,000)	(130,000)
Treasury stock	(323,000)	(279,000)
Total Liabilities & Shareholders' Equity	\$ 2,528,000	\$ 2,571,000

* At lower of cost or market. Domestic inventories at LIFO; all others at methods which approximate average cost.
Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	7.20
Sales to Inventories	7.61	7.22
Debt to Equity	0.22	0.24
Working Capital	\$ 382,000,000	\$ 354,000,000
Current Ratio	1.42	1.38
Shareholders' Equity	\$1,163,000,000	\$1,236,000,000

The First Republic Corporation of America

302 Fifth Avenue
New York, New York 10001
(212) 279-6100

Officers: A. A. Rosen, chairman of the board, Norman A. Halper, president, Jonathan P. Rosen, Myron Mauer, v.p.'s, Leo Dittkoff, secretary & treasurer.

Directors: A. A. Rosen, chairman; Leo Dittkoff, Norman A. Halper, Jonathan P. Rosen, William M. Silverman, Irving Bobrow, Steven Weiman.

Business Activities: Manufacturer of worsted and acrylic yarns, engages in real estate and hotel operations; produces hard shell clams and oysters.

Textile Divisions & Subsidiaries:

Hanora Spinning, Inc.
Woonsocket, Rhode Island

Quality Yarns, Inc.
Winston-Salem, North Carolina

Hanora Spinning, Inc.
Woonsocket, Rhode Island

Whitlock Combing Co., Inc. (50% owned)
South Carolina

Transfer Agent(s):

Fidata Securities Management Company
New York, New York

Continental Stock Transfer Corporation
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Revenues	Net Income
1985	\$ 32,742,890	\$ 3,607,051
1984	36,480,000	1,201,111
1983	32,231,001	1,681,586
1982	32,674,148	2,024,782
1981	28,561,088	1,159,950
	No. of Com. Shares #	Earn. per Share #
1985	700,441	\$ 5.15
1984	702,174	1.71
1983	731,340	2.30
1982	738,420	2.74
1981	738,621	1.55

+ Of continuing operations only.

Based on the average number of shares outstanding.

Revenues By Line of Business

	198*	1984
Textile	\$ 11,034,305	\$ 13,247,759
Seafood	2,095,266	2,580,323
Real estate	14,373,524	12,561,216
Hotel	4,934,736	7,857,065
Other	412,059	341,037
Eliminations	(107,000)	(107,000)
Total	\$ 32,742,890	\$ 36,480,400

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 24,411,479	\$ 34.85
1984	20,835,278	29.67
1983	19,714,552	26.96
1982	18,670,751	25.28
1981	16,647,880	22.54

Income Account

Year ended June 30	1985	1984
Net sales	\$ 32,742,890	\$ 36,480,400
Cost of sales	21,695,044	26,630,512
Expenses	2,843,175	2,385,175
Interest & debt service	844,417	925,185
Depreciation & amortization	2,501,037	2,595,040
Loss (gain) on hotel closing	(1,834,514)	1,102,399
Minority interest	57,680	130,878
Income before taxes	\$ 6,636,051	\$ 2,711,111
Income taxes	3,029,000	1,510,000
Net Income	\$ 3,607,051	\$ 1,201,111

Assets

As of June 30	1985	1984
Cash & cash equivalents	\$ 3,019,192	\$ 845,678
Accts. & rents receiv.	2,998,732	3,285,796
Notes & other receiv.	1,884,449	345,514
*Inventories	928,252	1,236,062
Prepaid expenses	717,032	855,979
Current assets	\$ 9,547,657	\$ 6,569,029
#Fixed assets	27,469,323	24,536,176
Other assets	6,208,634	4,783,766
Total Assets	\$ 43,225,614	\$ 35,888,971

Liabilities

Long-term debt, curr.	\$ 477,655	\$ 539,298
Accts. payable	1,095,428	1,595,222
Accruals	1,233,844	1,159,767
Deferred income taxes	524,000	—
Other liabilities	286,113	274,182
Curr. Liabilities	\$ 3,617,040	\$ 3,568,469
Long-term debt	11,802,219	8,266,287
Minority interests	849,279	825,599
Deposits & loans payable	1,165,680	953,338
Deferred inc. taxes	854,289	905,523
Deferred income	525,628	534,477
+ Common stock	1,175,261	1,175,261
Add. paid-in capital	15,000,753	15,000,753
Retained earnings	11,305,079	7,698,028
Treasury stock	(3,069,614)	(3,038,764)
Total Liabilities & Shareholders' Equity	\$ 43,225,614	\$ 35,888,971

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.27	7.43
%Net Income to Sales	11.02	3.29
%Net Income to Equity	14.78	5.76
Sales to Inventories	35.27	29.51
Debt to Equity	0.50	0.42
Working Capital	\$ 5,930,617	\$ 3,000,560
Current Ratio	2.64	1.84
Shareholders' Equity	\$24,411,479	\$20,835,278

Fritzi of California Mfg. Corporation

(Became a privately held company in November 1985.)

199 First Street
San Francisco, California 94105
(415) 979-1200

Officers: Ernest A. Benesch, chairman, Valli D. Benesch, president, Fritz L. Benesch, Marilyn Anderson, vice presidents, Ira Kipnis, chief financial officer.

Fuqua Industries, Inc.

Directors: Ernest A. Benesch, Fritz L. Benesch, Valli D. Benesch, Gary Lehmann, Wells McTaggart, Max Weingarten.

Business Activities: Manufactures and merchandises women's apparel under the names "Fritzi," "You Babes," and "You Babes II."

Plant Locations: San Francisco, California; Spanish Fork, Utah.

Subsidiaries:
Fritzi of Utah Corp.
Fritzi Realty

Sales and Earnings			
	Net Sales	Net Income	
1984	\$ 72,644,000	\$	134,000
1983	64,245,000		1,229,000
1982	60,142,000		1,275,000
1981	58,196,000		404,000
1980	56,481,000		700,000
	No. of Com Shares	Earn. per Share †	
1984	793,602	\$	0.17
1983	797,164		1.53
1982	804,714		1.58
1981	807,578		0.49
1980	816,078		0.83

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1984	\$0.21	—	—
1983	0.28	—	—
1982	0.28	—	—
1981	0.28	—	—
1980	0.28	—	—

Common Stock Equity		
	Total Equity	Equity Per Share
1984	\$ 15,522,000	\$ 19.56
1983	15,608,000	19.58
1982	14,675,000	18.24
1981	13,655,000	16.91
1980	13,576,000	16.64

Income Account *		
Year ended Sept. 30	1984	1983
Net sales	\$ 72,644,000	\$ 64,245,000
Cost of sales	56,960,000	47,852,000
Expenses	14,706,000	13,522,000
Other income	(94,000)	(135,000)
Interest expense	1,358,000	704,000
Income (loss) before taxes	\$ (286,000)	\$ 2,302,000
Income taxes (credit)	(420,000)	1,073,000
Net Income	\$ 134,000	\$ 1,229,000

* Included in Costs and Expenses. Depreciation and Amortization: \$917,000 in 1984 and \$638,000 in 1983.

Assets		
As of Sept. 30	1984	1983
Cash	\$ 879,000	\$ 67,000
Accts. receiv., net	8,822,000	11,177,000
*Inventories	12,401,000	13,809,000
Income tax receivable	1,349,000	—
Prepaid expenses	73,000	32,000
Deferred income taxes	412,000	1,123,000
Current Assets	\$ 23,936,000	\$ 26,208,000
*Fixed assets	7,803,000	7,570,000
Other assets	368,000	394,000
Total Assets	\$ 32,107,000	\$ 34,172,000

Liabilities		
Long-term debt, curr.	\$ 140,000	\$ 299,000
Short-term borrowings	5,600,000	7,800,000
Accts. payable	5,001,000	5,994,000
Accruals	762,000	2,368,000
Income taxes	—	983,000
Notes payable to officers	1,025,000	273,000
Curr. Liabilities	\$ 12,528,000	\$ 17,717,000
Long-term debt	3,706,000	847,000
Long-term liab.	351,000	—
+ Common stock	1,030,000	1,033,000
Add. paid-in capital	1,113,000	1,086,000
Retained earnings	13,379,000	13,489,000
Total Liabilities & Shareholders' Equity	\$ 32,107,000	\$ 34,172,000

* At lower of average cost or market.
† Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	—	3.58
%Net Income to Sales	0.18	1.91
%Net Income to Equity	0.86	7.87
Sales to Inventories	5.86	4.65
Working Capital	\$11,408,000	\$ 8,491,000
Current Ratio	1.91	1.48
Shareholders' Equity	\$15,522,000	\$15,608,000

Fuqua Industries, Inc.

4900 Georgia-Pacific Center
Atlanta, Georgia 30303
(404) 658-9000

Officers: J. B. Fuqua, chairman of the board & chief executive officer; Lawrence P. Klamon, president & chief operating officer; Dooley E. Culbertson, exec. v.p.; B. L. Goldberg, group v.p.-sporting goods; James M. Bahin, v.p.-finance; John F. Bartels, v.p.-controller; William D. Dodge, v.p.-insurance; James R. Foster, v.p. & treasurer; Mildred H. Hutcheson, v.p.-legal services; John C. McCune, v.p.-operations; Samuel W. Norwood, III, v.p.-corporate development; Hiram M. Nowlan, Jr., secretary; Colin W. Brown, v.p. & general counsel; C. William Samples, v.p.; Donald M. Culbertson, asst. controller; Paul N. Kiel, deputy gen. counsel; James M. Adamovitz, asst. v.p. & director of taxes.

Directors: J. B. Fuqua*, Bernard H. Barnett, James T. Hite, III, Frank W. Hulse, Anthony A. Malizia, Terry Sanford, Carl E. Sanders*, Paul E. Yarbrough, Jr., L. P. Klamon*.

* Member of the Executive Committee.

Business Activities: The Company is involved in the distribution of athletic hosiery sold under a variety of licensed names including NFL and Major League Baseball, Keds, Pro-Keds, and Looney-Tunes, through its Willow Hosiery subsidiary. Both Nelson Recreation Products, Inc. and Weather-Rite, Inc. sell rainwear and footwear for camping and outdoor activity. Other activities include the manufacture of lawn and garden equipment, recreation products, industrial products and photography.

Textile/Apparel Subsidiaries:

Willow Hosiery Company, Inc.
350 Fifth Avenue, Suite 314
New York, New York 10118
(212) 594-0020
Athletic hosiery.

Nelson Recreation Products, Inc.
14760 Santa Fe Trail Drive
Lenexa, Kansas 66215
(913) 492-3200
Camping, rainwear and other sporting equipment.

Weather-Rite, Inc.
125 Enterprise Avenue
Secaucus, New Jersey 07094
(201) 348-0400
Camping, rainwear and other sports equipment.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: FQNA

Sales and Earnings			
	Net Sales + (000's)	Net Income ‡ (000's)	
1985	\$ 862,370	\$	33,220
1984	782,424		37,494
1983	664,761		41,692
1982	506,000		19,589
1981	598,000		(27,922)
	No. of Com Shares ‡	Earn. per Share ‡	
1985	10,380,000	\$	3.22
1984	10,009,000		3.76
1983	9,812,000		4.26
1982	8,030,000		2.45
1981	25,676,000		—

(Loss)

+ Includes other revenues, of continuing operations only.
† Including extraordinary gains of \$219,000 (\$0.02 per share) in 1985, \$320,000 (\$0.03 per share) in 1984, \$945,000 (\$0.10 per share) in 1983, \$2,970,000 (\$0.37 per share) in 1982 and \$301,000 (\$0.01 per share) in 1981.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business (000's)			
	1985	1984	
Lawn & garden	\$ 245,300	\$	235,900
Photofinishing	215,000		153,600
Sporting goods	175,900		182,100
Seating & other	226,200		210,800
Total	\$ 862,400	\$	782,400

Common Stock			
	Cash Dividend +	Stock Dividend	Stock Split
1985	\$0.40	—	—
1984	0.40	—	—
1983	0.36	—	2-for-1
1982	0.30	—	—
1981	0.30	—	—

+ Adjusted to reflect stock split.

Common Stock Equity		
	Total Equity (000's)	Equity Per Share ‡
1985	\$ 205,198	\$ 19.77
1984	164,589‡	16.44
1983	130,257‡	13.28
1982	67,663‡	8.43
1981	53,167‡	2.07

‡ After allowing for Series B preferred stock at involuntary liquidation value.

† Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account * (000's)		
Year ended Dec. 31	1985	1984
Net sales & revenues	\$ 862,370	\$ 782,424
Cost of sales	611,523	551,653
Expenses	175,675	141,247
Interest expense	25,665	25,075
Other income	(9,584)	(7,592)
Income before taxes	\$ 59,091	\$ 72,041
Income taxes	27,809	33,572

Fuqua Industries, Inc.

Inc. - cont. oper.	\$	31,282	\$	38,469
Inc. (loss) - discont. oper.		1,719		(1,295)
Net Income	\$	33,001	\$	37,174
Extraord. gain		219		320

Net Income & extraord. gain	\$	33,220	\$	37,494
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* Included in Costs and Expenses, Depreciation and Amortization: \$23,323,000 in 1985 and \$18,180,000 in 1984.

Assets (000's)				
As of Dec. 31	1985		1984	
Cash	\$	14,400	\$	17,265
Receivables		183,840		172,975
*Inventories		130,046		145,810
Prepaid expenses		7,903		8,057
Current Assets	\$	336,189	\$	344,107
Notes receiv.		13,767		13,364
Investments		25,660		15,458
#Fixed assets		133,814		113,528
Intangibles		43,814		25,354
Total Assets	\$	553,244	\$	511,811

Liabilities (000's)				
Notes payable	\$	31,981	\$	21,000
Long-term debt & cap. lease oblig., curr.		22,337		18,850
Accts. payable & accruals		104,785		101,294
Income taxes		969		576
Curr. Liabilities	\$	160,072	\$	141,720
Long-term debt & cap. lease oblig.		60,957		74,945
Subord. debt		112,006		118,368
Deferred inc. taxes		16,011		7,246
+ Preferred Stock, Series B		—		190
+ Common Stock		10,547		9,752
Add. paid-in capital		20,913		15,786
Retained earnings		181,726		152,364
Treasury stock		(7,988)		(8,560)
Total Liabilities & Shareholders' Equity	\$	553,244	\$	511,811

* At lower of cost (LIFO) or market.

+ Less accumulated depreciation.

+ \$1 par value.

Statistical Summary		
% Net Income to Equity	16.08	21.93
Debt to Equity	0.56	0.68
Working Capital	\$176,117,000	\$202,387,000
Current Ratio	2.10	2.43
Shareholders' Equity	\$205,198,000	\$169,532,000

GAF Corporation

1361 Alps Road
Wayne, New Jersey 07470
(201) 628-3000

Officers: Samuel S. Heyman, chairman of the board & chief exec. officer; James T. Sherwin, vice-chairman & chief administrative officer; Edward E. Shea, sr. v.p., general counsel & secretary; John A. Brennan, Carl R. Eckardt, sr. vice presidents; Raymond J. Lacroix, sr. v.p. & chief financial officer; James J. Strupp, v.p.-human resources; Matthew L. Gooby, v.p.-management information systems; Bernard L. Kapell, v.p.-taxation; Joel A. Asen, v.p.-treasury & business development.

Directors: Samuel J. Heyman, chairman; Daniel T. Carroll, Jacob E. Goldman, Sanford Kaplan, William P. Lyons, Scott A. Rogers, Edward E. Shea, James T. Sherwin, Harold C. Simmons, William Spier, Joseph D. Tydings.

Business Activities: Chemical; acetylene-based chemicals used to make plastics, synthetic fibers, cosmetics, etc.; specialty chemicals, including surfactants, textile auxiliary chemicals, organometallics and ultraviolet absorbers; agricultural chemicals; mineral products; filters and engineering thermoplastics. Building Materials; roofing materials; insulation.

Plant Locations: Huntsville, Mobile, Alabama; Fontana, California; Tampa, Florida; Savannah, Georgia; Mount Vernon, Indiana; Calvert City, Kentucky; Baltimore, Maryland; Millis, Massachusetts; Minneapolis, Minnesota; St. Louis, Annapolis, Missouri; Linden, South Bound Brook, New Jersey; Blue Ridge, Erie, Summit, Pennsylvania; Chester, South Carolina; Dallas, Seadrift, Texas City, Texas; Pembine, Wisconsin.

Trademarks and/or Brand Names: 2-Pyrol, V-Pyrol, Gantrez, Peregol, Solidogen, Gafite, Gafuf PBT, Gaflex, Gafglas.

Domestic Subsidiaries:

GAF Broadcasting Co., Inc. (New York)
GAF Export Co. (New York, New York; Carolina, Puerto Rico)
GAF Hawaii Inc. (Hawaii)
GAF International Corp. (New York, New York)
GAF Realty Corp. (Delaware)
General Aniline & Film Corp. (Delaware)

Foreign Subsidiaries:

GAF (Belgium) N.V. (Belgium)
GAF (Deutschland) G.m.b.H. (F.R. Germ.)
GAF (France) S.A. (France)
GAF (Norge) A/S (Norway)
GAF (Svenska) A.B. (Sweden)
Sawyer's (Nederland) N.V. (Netherlands)
Sawyer's Photographic Products (U.K.) Ltd. (U.K.)
GAF (Canada) Ltd. (Canada)
GAF Corporation de Mexico, S.A. de C.V. (Mexico)
GAF (Danmark) A/S (Denmark)
GAF do Brazil Industria e Comercio Ltda. (Brazil)
GAF (Great Britain) Ltd. (U.K.)
Vega-Repro Ltd. (U.K.)
GAF Insurance Ltd. (Bermuda)
GAF (Israel) Ltd. (Israel)
GAF (Italia) S.r.l. (Italy)
GAF Japan Ltd. (Japan)
Sawyer's Japan Ltd. (Japan)
Harding and Halden Pty. Ltd. N.S.W. (Australia)
GAF (Osterreich) G.m.b.H. (Austria)
GAF (Singapore) Private Ltd. (Singapore)
GAF (South Africa) (Pty.) Ltd. (South Africa)
GAF (Suomi) Oy (Finland)
GAF (Switzerland) A.G. (Switzerland)
GAF (New Zealand)
GAF (Spain)

Affiliates:

GAF/Huls Chemie G.m.b.H. (50% owned)
Marl, West Germany

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: GAF

Sales and Earnings		
	Net Sales + (000's)	Net Income + (000's)
1985	\$ 732,000	\$ 77,581
1984	731,300	56,702
1983	699,400	(3,841)
1982	623,200	56,229
1981	672,500	26,060
	No. of Com. Shares #	Earn. per Share# +
1985	17,171,000	\$ 4.50
1984	14,510,000	3.70
1983	14,442,000	—
1982	14,338,000	3.71
1981	14,078,000	1.62

+ Of continuing operations only.

+ Including extraordinary gains of \$23,285,000 (\$1.36 per share) in 1985 and \$15,656,000 (\$1.08 per share) in 1984, \$25,358,000 (\$1.76 per share) in 1983 and \$38,744,000 (\$2.70 per share) in 1982.

Based on the weighted average number of shares outstanding.

Revenues By Line of Business (000's)

	1985	1984
Chemical	\$ 364,400	\$ 357,200
Building materials	363,900	370,800
Broadcasting	3,700	3,300
Total	\$ 732,000	\$ 731,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.20	—	—
1984	0.10	—	—
1983	0.05	—	—
1982	0.50	—	—
1981	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$298,153,000	\$ 17.36
1984	147,017,000#	10.13
1983	101,797,000#	7.05
1982	113,764,000#	7.93
1981	64,964,000#	4.58

After allowing for preferred stock at aggregate liquidation value.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 731,962	\$ 731,314
Cost of sales	513,813	548,967
Expenses	130,206	120,139
Other income	(19,330)	(1,553)
Interest expense	19,779	9,143
Income before taxes	\$ 87,474	\$ 54,618
Income taxes	33,178	13,572
Net Income	\$ 54,296	\$ 41,046
Extraordinary credit	23,285	15,656
Net Income & Extraord. Credit	\$ 77,581	\$ 56,702

* Included in Costs and Expenses, Depreciation: \$17,366,000 in 1985 and \$19,397,000 in 1984.

Assets (000's)		
As of Dec. 31	1985	1984
Cash	\$ 7,862	\$ 16,186
Short-term invest.	209,298	53,367
Accts. receiv. net	109,580	95,139
*Inventories	94,007	83,452
Other current assets	7,966	6,758
Current Assets	\$ 428,713	\$ 254,902
Marketable securities	202,229	—
#Fixed assets	194,086	159,115
Other assets	54,146	38,256
Total Assets	\$ 879,174	\$ 452,273
Liabilities (000's)		
Notes payable	\$ 115,380	\$ 6,461
Long-term debt, curr.	10,132	10,278
Accts. payable	57,411	57,868
Accruals	58,924	36,562

Garan, Incorporated

Income taxes	9,785	2,994
Curr. Liabilities	\$ 251,632	\$ 114,163
Long-term debt	248,853	72,478
Other liabilities	80,536	51,626
+ Preferred stock	—	3,175
+ + Common stock	17,878	14,509
Add. paid-in capital	60,836	56,420
Retained earnings	229,586	156,123
Translation adj.	(6,135)	(10,451)
Treasury stock	(4,012)	(5,770)
Total Liabilities & Shareholders' Equity	\$ 879,174	\$ 452,273

* At lower of cost (principally average) or market.

Less accumulated depreciation.

+ \$1 par value, \$1.20 convertible.

+ + \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.95	7.47
%Net Income to Sales	7.42	5.61
%Net Income to Equity	18.21	19.18
Sales to Inventories	7.79	8.76
Debt to Equity	1.26	0.42
Working Capital	\$177,081,000	\$140,739,000
Current Ratio	1.70	2.23
Shareholders' Equity	\$298,153,000	\$214,006,000

Galaxy Carpet Mills, Inc.

850 Arthur Avenue
Elk Grove Village, Illinois 60007
(312) 593-0555

Officers: Irwin M. Harvey, chairman of the board & chief exec. officer; Alvin B. Bush, president & chief operating officer; Charles A. Bramlett, exec. vice president; Bobby T. Mosteller, sr. v.p.-mfg. planning & operations; Jack C. Chadwick, v.p.-carpet mfg.; Robert A. Izard, sr. v.p.-international sales; Larry D. Reed, v.p.-finance & administration; Philip Steinway, v.p.-sales; Frank McMurtry, v.p.-Western Div.; Myron H. Lurie, v.p.-distribution; Louis Rostan, asst. secretary; Dave Russell, v.p.-mgt. info. services; Ralph Williams, v.p. & dir.-research & development; Dewey French, v.p. & dir.-marketing; Bernard F. Wittlinger, v.p.-Nautilus Division; Jack Flammini, v.p.-credit; Robert A. Lange, Jr., secretary-treasurer; Donald J. Savon, v.p.-Eastern Division; Alan W. Morse, v.p.-product styling & design; Fred Ellman, v.p.-advertising & promotion; Mike Fulka, v.p.-personnel & industrial relations; James Mitchell, v.p.-yam mfg.

Directors: Charles A. Bramlett, Alvin B. Bush, Irwin M. Harvey, Robert A. Izard, Randall Kaplan, Bobby T. Mosteller, George K. Hendrick, Jr., Donald P. Jacobs.

Business Activities: Manufactures tufted carpet which is marketed to retailers and wholesale distributors for residential and commercial applications.

Trademarks and/or Brand Names: Future Step, Vividye, Uni-set, Quickship, Mark-less Beauty.

Plant Location(s): Ft. Oglethorpe, Chatsworth & Dalton, Ga.; South Pittsburg, Tennessee.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): American

Ticker Symbol: GXY

Sales and Earnings

	Net Sales	Net Income
1985	\$ 195,311,000	\$ 3,741,000
1984	222,618,000	7,016,000
1983	200,121,000	7,778,000
1982	151,822,000	3,649,000
1981*	144,442,000	5,722,000

	No. of Com. Shares †	Earn. per Share †
1985	3,371,000	\$ 1.11
1984	3,371,000	2.08
1983	3,252,000	2.39
1982	3,021,000	1.21
1981*	2,981,000	1.92

* 53 weeks.

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	5-for-4

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 53,818,000	\$ 15.96
1984	50,077,000	14.86
1983	43,061,000	12.77
1982	29,671,000	9.82
1981	26,022,000	8.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	9/28/85	9/29/84
Net sales	\$ 195,311,439	\$ 222,617,530
Cost of sales	148,984,921	172,619,994
Expenses	35,267,829	34,542,334
Interest expense	4,684,110	4,583,635
Other expense	39,167	302,299
Income before taxes	\$ 6,335,412	\$ 10,569,268
Income taxes	2,593,856	3,553,284
Net Income	\$ 3,741,556	\$ 7,015,984

* Included in Costs and Expenses, Depreciation: \$4,058,550 in 1985 and \$3,360,327 in 1984.

Assets

As of	9/28/85	9/29/84
Cash	\$ 1,778,418	\$ 328,063
Accts. receiv., net	32,109,648	36,779,088
Inventories	42,823,908	43,391,924
Prepaid expenses	8,317,020	7,020,741
Current Assets	\$ 85,028,994	\$ 87,519,816
#Fixed assets	36,356,475	35,124,348
Defer. charges & other assets	625,021	509,095
Total Assets	\$ 122,010,490	\$ 123,153,259

Liabilities

Notes payable	\$ 8,000,000	\$ 8,000,000
Long-term debt, curr.	1,621,006	1,609,295
Accts. payable	12,371,274	18,526,898
Accruals	7,147,235	6,198,651
Income taxes	311,830	—
Curr. Liabilities	\$ 29,451,345	\$ 34,334,844
Long-term debt	33,895,130	35,091,965
Deferred inc. taxes	4,845,871	3,649,862
+ Common stock	337,070	337,070
Add. paid-in capital	9,174,182	9,174,182
Retained earnings	44,306,892	40,565,336
Total Liabilities & Shareholders' Equity	\$ 122,010,490	\$ 123,153,259

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.24	4.75
%Net Income to Sales	1.92	3.15
%Net Income to Equity	6.95	14.01
Sales to Inventories	4.56	5.13
Debt to Equity	0.25	0.89
Working Capital	\$55,577,649	\$53,184,972
Current Ratio	2.89	2.55
Shareholders' Equity	\$53,818,144	\$50,076,588

Garan, Incorporated

350 Fifth Avenue
New York, New York 10118
(212) 563-2000

Officers: Seymour Lichtenstein, chairman of the board, Jerald Kamiel, president; William J. Wilson, v.p.-finance & administration; Perry Mullen, v.p.-mfg.; Abraham Tannenbaum, v.p. & general counsel; Marvin S. Robinson, secretary.

Directors: Samuel Dorsky, chairman; Seymour Lichtenstein, Perry Mullen, Abraham Tannenbaum, Jerald Kamiel, William J. Wilson, Marvin Robinson.

Business Activities: Produces and markets knitted and woven sport shirts for men and boys; slacks and jeans; girls' and juniors' knitted tops and jeans; and infants' and toddlers' tops and bottoms. Children's clothing is marketed under the "Garanimal" trademark.

Trademarks and/or Brand Names: Garan, Garanimals, Ban-Lon, Mountain Lion, Advantage, The Garan Man, Garan by Marita, New Garanimals.

Plant Location(s): Ozark, Ark.; Clinton, Ky.; Jonesville, Kaplan, Marksville, Many, Olla, Simmesport, Church Point, Kinder, Port Barre, La.; Carthage, Corinth, Europa, Kosciusko, Lambert, Philadelphia, Starkville, Miss.; Adamsville, Tenn.; Rainville, Arab, Ala.

Transfer Agent(s):

Morgan Guaranty Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: GAN

Sales and Earnings

	Net Sales	* Net Income
1985	\$ 138,161,000	\$ 5,561,000
1984	176,907,000	11,916,000
1983	160,724,000	10,851,000
1982	150,028,000	8,175,000
1981	152,397,000	9,476,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,243,300	\$ 1.71
1984	3,283,100	3.63
1983	3,272,520	3.32
1982	3,255,480	2.51
1981	3,258,480	2.91

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	\$1.20	—	—
1984	1.20	—	—
1983	1.00	20%	—
1982	1.00	—	—
1981	0.83	—	—

‡ Adjusted to reflect stock dividend.

Garan, Incorporated

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 65,841,000	\$ 20.30
1984	72,836,000	22.19
1983	64,846,000	19.82
1982	57,077,000	17.53
1981	52,085,000	15.98

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended	10/30/85	9/30/84
Net sales	\$ 138,161,000	\$ 176,907,000
Cost of sales	108,410,000	133,289,000
Expenses	21,824,000	22,942,000
Int. on cap. leases	563,000	634,000
Interest income	(3,241,000)	(2,741,000)
Income before taxes	\$ 10,605,000	\$ 22,783,000
Income taxes	5,044,000	10,867,000
Net Income	\$ 5,561,000	\$ 11,916,000

* Included in Costs and Expenses, Depreciation and Amortization: \$3,136,000 in 1985 and \$3,172,000 in 1984.

Assets

As of	10/30/85	9/30/84
Cash	\$ 742,000	\$ 901,000
Short-term investments	39,456,000	33,715,000
Accts. receiv., net	21,401,000	26,942,000
*Inventories	12,411,000	23,571,000
Other current assets	2,333,000	2,390,000
Current Assets	\$ 76,343,000	\$ 87,519,000
#Fixed assets	17,287,000	17,645,000
Other assets	1,006,000	536,000
Total Assets	\$ 94,636,000	\$ 105,700,000

Liabilities

Long-term debt, curr.	\$ 597,000	\$ 573,000
Accts. payable	6,583,000	10,346,000
Accruals	10,667,000	11,458,000
Income taxes	549,000	942,000
Curr. Liabilities	\$ 18,396,000	\$ 23,319,000
Cap. lease oblig.	9,347,000	8,259,000
Deferred inc. taxes	1,052,000	1,286,000
+ Common stock	2,972,000	3,277,000
Add. paid-in capital	17,287,000	25,696,000
Retained earnings	45,582,000	43,863,000
Total Liabilities & Shareholders' Equity	\$ 94,636,000	\$ 105,700,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.68	12.88
%Net Income to Sales	4.03	6.74
%Net Income to Equity	8.45	16.34
Sales to Inventories	11.13	7.51
Debt to Equity	0.01	0.01
Working Capital	\$57,947,000	\$64,200,000
Current Ratio	4.15	3.75
Shareholders' Equity	\$65,841,000	\$72,836,000

Genesco Inc.

Genesco Park
Nashville, Tennessee 37202
(615) 367-7000

Officers: Richard W. Hanselman, chairman, president & chief executive officer; Larry B. Shelton, exec. v.p., president & chief exec. officer-the Greif Companies; Thomas B. Clark, v.p. & general counsel; Jack V. Gunion, v.p. & president-U.S. Retail Group; Don R. Martin, v.p.-human resources; William

S. Wire, II, sr. v.p.-finance; William C. O'Connor, secretary & assoc. general counsel; James S. Gulni, v.p. & treasurer; Richard L. Daniels, v.p. & gen. mgr.-Footwear Operations & Wholesale Divisions; William Dragon, Jr., v.p. & gen. mgr.-Johnston & Murphy.

Directors: Richard W. Hanselman*, chairman; Nelson C. Andrews, Sidney Davidson*, John Diebold, Harry D. Garber, Pierre A. Rinfret*, Kenneth L. Roberts*, Edward E. Watson*, David K. Wilson*, Toby S. Wilt, Richard A. Voell.

* Member of the Executive Committee.

Business Activities: Genesco's business falls into three major areas: footwear, men's apparel manufacturing, and retail stores. Operates 1,088 stores and leased departments throughout the U.S. and Canada.

Plant Location(s): Camden, Holtonwald, Pulaski, Waynesford, and Nashville, Tennessee; Danville, Kentucky; Fulton, Loka, and Ripley, Mississippi.

Trademarks and/or Brand Names: French & Stanbury, Lanvin, Colours by Alexander Julian, Greif, Donald Brooks, Chaps by Ralph Lauren, Phoenix, Polo University by Ralph Lauren, Valentino Uomo of Rome, Oleg Cassini, Perry Ellis (Tailored Clothing); Johnson & Murphy, Jarman, Wrangler Boots, Laredo, Mitre, Cedar Crest (Mens Shoes), Charm Step (Women's Shoes); Camp, Christian Dior, Stetson, Jordache, D'Orsay, Sock Works.

Divisions and Subsidiaries:

Manufacturing and Wholesale:

BBC Hosiery
P.O. Box 370
213 Grand Street
Lenoir City, Tennessee 37771
(615) 986-3531
Women's, infants', children's & men's hosiery.

Camp Hosiery
350 5th Avenue, 73rd Floor
New York, New York 10118
(212) 760-8899
Hosiery for men and women.

Capitol Products Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-7789
Cartons and containers.

Laredo/Cedar Crest Boots
Genesco Park
Nashville, Tennessee 37202
(615) 367-7138
Laredo western boots for men, women and children.
Cedar Crest work, safety and sport shoes.

Charm Step Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-7113
Women's popular priced shoes.

Dominion Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-8135
Shoes for private label volume trade.

Footwear-Material Management
Genesco Park
Nashville, Tennessee 37202
(615) 367-7811

General Adhesives
6100 Centennial Boulevard
Nashville, Tennessee 37202
(615) 367-7833
Adhesives, finishes, caulks, and chemical products.

Mitre Sports
Genesco Park
Nashville, Tennessee 37202
(615) 367-7475
Athletic shoes.

Southern Soles
940 Trinity Lane
Nashville, Tennessee 37202
(615) 367-8473
Cut soles, insoles, findings and unit shoes.

Johnson & Murphy Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-8101

J & M Frank Bros. shoes for men; Johnson & Murphy men's shoes.

Greif Companies
939 Marcon Boulevard
P.O. Box 9000
Allentown, Pennsylvania 18001
(215) 266-2200
Men's and women's clothes.

Valmart Distributing
Genesco Park
Nashville, Tennessee 37202
(615) 367-8220
Wholesale factory-damaged shoes.

Valmore Leather Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-8261
Cut soles, insoles, findings, unit soles, foot care products.

Volunteer Leather
Genesco Park
Nashville, Tennessee 37202
(615) 367-8261
Side leather tanning, finishing and distribution.

Wood & Hyde Leather Company
Gloversville, New York 12078
(518) 725-7105
Shoe and garment leather.

Wrangler
Genesco Park
Nashville, Tennessee 37202
(615) 367-7343
Wrangler casual shoes for men and women and selected styles of Mitre athletic shoes.

Genesco Retail:

Foot Scene
Genesco Park
Nashville, Tennessee 37202
(615) 367-7513
Popular priced family shoe stores.

Genesco Factory To You Shoes
Genesco Park
Nashville, Tennessee 37202
(615) 367-7363
Family footwear and accessories at factory prices.

Jarman/Flagg
Genesco Park
Nashville, Tennessee 37202
(615) 367-7222
Shoe stores featuring footwear particularly designed for young men.

Hardy Shoe Stores
Genesco Park
Nashville, Tennessee 37202
(615) 367-7444
Popular priced men's shoe stores.

Genesco International:

Genesco Canada, Inc. Retail Division
298 Park Road North
Brantford, Ontario, Canada N3T 5T9
(519) 752-7854
Agnew's coast-to-coast chain of family shoe stores, Aggies' shoe boutiques, in major cities and leased departments.

Genesco Canada, Inc.
401 Fountain Street North
Cambridge, Ontario, Canada
(519) 653-5783
Includes: General Shoe of Canada, Agnew, Aggies, Dexter, and leased departments.

Transfer Agent(s):

Morgan Guaranty Trust Company
(common & preferred stock)
New York, New York 10015

Stock Exchange(s): New York, Midwest

Georgia-Bonded Fibers, Inc.

Ticker Symbol: GCO

Sales and Earnings		
	Net Sales † (000's)	Net Income ‡ (000's)
1985*	\$ 297,372	\$ 4,548
1984	606,264	18,745
1983	639,761	(1,971)
1982	664,805	1,099
1981	662,490	18,063
	No. of Com. Shares	Earn. per Share †
1985*	15,080,800	\$ 0.23
1984	15,044,934	1.08
1983	14,419,621	—
1982	14,328,535	—
1981	12,656,260	1.16

* 6 months.

(Loss)

† Of continuing operations only.

‡ Including extraordinary gains of \$172,000 (\$0.01 per share) in 1985, \$3,395,000 (\$0.22 per share) in 1984, \$1,001,000 (\$0.07 per share) in 1983 and \$6,495,000 (\$0.51 per share) in 1981.

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business (000's)		
	1985	1984
Footwear:		
Shoes & accessories	\$ 133,984	\$ 411,990
Raw materials	87,419	51,343
Total Footwear	\$ 221,403	\$ 463,333
Men's apparel:		
Tailored	57,797	109,289
Hosiery	18,172	31,847
Total Apparel	\$ 75,969	\$ 141,136
Divested Operations	—	1,795
Total	\$ 297,372	\$ 606,264

Common Stock Equity		
	Total Equity	Equity Per Share
1985	\$ 68,650,000	\$ 4.55
1984	64,865,000	3.17
1983	41,883,000	1.86
1982	41,733,000	2.01
1981	33,847,000	1.14

Income Account * (000's)		
Year ended	1/31/85 (6 months)	7/31/84
Net sales	\$ 297,372	\$ 606,264
Cost of sales	191,931	382,422
Expenses	92,868	192,125
Interest expense	6,117	12,517
Other expense (income)	(720)	522
Income bef. taxes	\$ 7,176	\$ 18,678
Income taxes	2,800	7,634
Inc. -cont. oper.	\$ 4,376	\$ 11,044
Inc. -discont. oper.	—	4,306
Net Income	\$ 4,376	\$ 15,350
Extraord. credit	172	3,395
Net Income & extraord. credit	\$ 4,548	\$ 18,745

* Included in Costs and Expenses, Depreciation and Amortization: \$4,998,000 in 1985 and \$10,074,000 in 1984.

Assets (000's)		
As of	1/31/85	7/31/84
Cash	\$ 10,554	\$ 7,796
Marketable securities	31,426	24,192
Receiv. net	66,032	74,834
*Inventories	129,757	137,592
Prepaid expenses	2,754	2,888
Curr. Assets	\$ 240,523	\$ 247,302
Other assets	5,656	5,302
#Fixed assets	76,370	76,837
Total Assets	\$ 322,549	\$ 329,441
Liabilities (000's)		
Long-term debt, curr.	\$ 8,506	\$ 8,434
Capitalized lease oblig., curr.	3,243	3,158
Accts. payable & accruals	48,784	53,826
Prov. for oper. divested	1,818	2,432
Curr. Liabilities	\$ 62,351	\$ 67,850
Long-term debt	102,761	105,433
Capitalized lease oblig. Prov. for oper. divested	23,105	24,918
Deferred taxes	13,515	11,411
Redeem. pref. stock	1,010	4,133
Non-redeem. pref. stock + Common stock	21,929	21,698
Add. paid-in capital	29,228	29,133
Accumulated deficit	15,569	15,533
Treasury stock	80,246	80,400
Emp. stock purch. accts.	(4,732)	(9,254)
For. curr. trans. adjust	(17,857)	(17,857)
	(518)	(520)
	(4,058)	(3,477)
Total Liabilities & Shareholders' Equity	\$ 322,549	\$ 329,441

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary		
%Net Income to Equity	4.47	16.33
Sales to Inventories	2.29	4.41
Debt to Equity	1.14	1.21
Working Capital	\$178,172,000	\$179,452,000
Current Ratio	3.85	3.64
Shareholders' Equity	\$ 97,878,000	\$ 93,998,000

Georgia-Bonded Fibers, Inc.

15 Nutman Street
Newark, New Jersey 07103
(201) 642-3547

Officers: Hugo N. Surmonte, chairman of the board & treasurer; James C. Kostelni, president; Harry J. Hermann, Jr., v.p.-international operations; Angelina Montebello, secretary; Malcolm Christian, asst. secretary; A. David Drayer, controller.

Directors: Hugo N. Surmonte, chairman; James C. Kostelni, Harry J. Hermann, Jr., Angelina Montebello, Richard C. Campbell, William J. Binnie, Malcolm M. Christian, Joseph F. Raffetto, Robert J. Weeks, Thomas B. Hogan.

Business Activities: Manufactures elastomeric fiber materials used in the manufacture of shoes, luggage, handbags, belts (backing), hats (brims and visors); and in allied industries as a covering, lining or base construction for a variety of consumer and industrial products and as an asbestos substitute for floor underlay.

Trademark(s): Bontex, Sir-Pel, Bon-Foam 400, Sure-Foam II, Morimer, Bon-Pel, Korktex.

Plant Location(s): Buena Vista, Va.; Stembert, Belgium.

Subsidiaries:

Bontex, Inc. (FSC)
Virgin Islands

Bontex, S.A.
Rue Slar
4801 Stembert, Belgium

Bontex Italia S.R.L.
Verona, Italy

Transfer Agent(s):

Registrar & Transfer Company
Cranford, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBFH (NASDAQ)

Sales and Earnings		
	Net Sales	Net Income †
1985	\$ 25,849,052	\$ 238,178
1984	30,374,933	1,720,748
1983	27,684,801	1,306,750
1982	30,180,455	1,811,115
1981	25,012,084	34,766
	No. of Com. Shares +	Earn. per Share †
1985	1,429,958	\$ 0.17
1984	1,429,958	1.20
1983	1,429,958	0.91
1982	1,429,958	1.27
1981	1,429,958	0.02

† Including extraordinary gain of \$459,229 (\$0.32 per share) in 1982 and extraordinary loss of \$118,961 (\$0.08 per share) in 1985.

+ Adjusted to reflect stock dividend and stock split.

Based on the average number of shares outstanding during the period adjusted to reflect stock dividend and stock split.

Common Stock		
	Cash Dividend	Stock Dividend
1985	—	10%
1984	—	—
1983	—	—
1982	—	—
1981	—	—

Common Stock Equity		
	Total Equity	Equity Per Share +
1985	\$ 6,025,580	\$ 4.21
1984	6,075,974	4.25
1983	4,928,251	3.45
1982	3,621,501	2.53
1981	1,810,386	1.27

+ Adjusted to reflect stock dividend and stock split.

Income Account *		
Year ended	1985	1984
June 30		
Net sales	\$ 25,849,052	\$ 30,374,933
Cost of sales	19,612,314	21,746,465
Expenses	5,119,002	5,473,166
Interest expense	382,284	342,592
Other income	(167,023)	(152,649)
For. curr. exch. adj.	82,969	6,973
Income before taxes	\$ 819,506	\$ 2,958,386
Income taxes	411,560	1,237,638
Net Income	\$ 407,946	\$ 1,720,748
Extraord. loss	(118,961)	—
Cum. effect of acctg. change	(50,807)	—
Net Income & extraord. loss	\$ 238,178	\$ 1,720,748

* Included in Costs and Expenses, Depreciation and Amortization: \$434,672 in 1985 and \$556,695 in 1984.

Georgia-Bonded Fibers, Inc.

Assets			
As of June 30	1985	1984	
Cash	\$ 1,782,812	\$ 1,740,691	
Accts. receiv., net	5,379,986	6,501,903	
Other receiv.	86,942	146,491	
*Inventories	3,163,345	2,515,072	
Prepaid expenses	45,159	48,463	
Prepaid income tax	—	22,304	
Current Assets	\$ 10,458,244	\$ 10,974,924	
*Fixed assets	2,730,358	2,640,461	
Defer. charges & other assets	172,041	93,137	
Total Assets	\$ 13,360,643	\$ 13,708,522	
Liabilities			
Notes payable	\$ 1,217,573	\$ 935,784	
Long-term debt, curr.	344,491	346,509	
Deferred income taxes	409,986	322,377	
Accts. payable	3,330,619	3,840,554	
Accruals	890,246	738,692	
Dividends payable	64,998	—	
Income taxes	173,822	61,059	
Curr. Liabilities	\$ 6,431,735	\$ 6,224,965	
Long-term debt	601,232	940,497	
Deferred inc. taxes	302,096	447,086	
+ Common stock	142,996	129,996	
Add. paid-in capital	957,689	445,643	
Retained earnings	5,656,497	6,073,360	
For. curr. trans. adjust.	(731,602)	(573,025)	
Total Liabilities & Shareholders' Equity	\$ 13,360,643	\$ 13,708,522	

* At lower of cost (LIFO) or market; inventories of Bontex, S.A. are valued at lower of cost (FIFO) or market.
 # Less accumulated depreciation.
 + \$0.10 par value.

Statistical Summary

%Income bef. Taxes		
to Sales	3.17	9.74
%Net Income to Sales	1.58	5.67
%Net Income to Equity	6.77	28.32
Sales to Inventories	8.17	12.08
Debt to Equity	0.36	0.37
Working Capital	\$4,026,509	\$4,729,959
Current Ratio	1.63	1.76
Shareholders' Equity	\$6,025,580	\$6,075,974

W.R. Grace & Co.

Grace Plaza
 1114 Avenue of the Americas
 New York, New York, 10036
 (212) 819-5500

Officers: J. Peter Grace, chairman of the board & chief executive officer; Carl N. Graf, president & chief operating officer; Charles H. Erhart, Jr., vice chairman & chief administrative officer; Harold R. Logan, D. Walter Robbins, Jr., vice chairman; Felix E. Larkin, chairman of the executive committee; Robert A. Clabault, Terrence D. Daniels, Donald E. Grimm, Lloyd L. Jaquier, Robert W. Samuels, Anwar Soliman, Lawrence C. McQuade, Paul D. Paganucci, John F. Spellman, Edward H. Tutun, executive vice presidents; Albert A. Eustis, exec. v.p., general counsel & secretary; J.P. Bolduc, exec. v.p. & chief financial officer; Charles E. Brookes, J. Murfree Butler, Thomas M. Doyle, Christian F. Horn, Antonio Navarro, George J. Winchell, E. Harold Culp, Gerald G. Garbacz, Kenneth G. Gilkey, O. Benjamin Hander, Robert E. Herlihy, Donald Kohnken, M. Leon Jensen, Pedro F. Mata, Brian J. Smith, Carl W. Lorentzen, sr. v.p.'s; Francis J. Brennan, sr. v.p. & treasurer; Peter Boer, Samuel J. Cerny, Charles H. Ehlers, Francis D. Flanagan, Thomas R. Fowler, James R. Gregath, Adley W. Hemphill, John Hirsch, Fred E. Bennett, William B. Sturgis, Daniel P. Tucci, Laurence R. Veator, Jr., John F. Williams, Elwood S. Wood, Roger V. Rowe, John A. Dudley, Klaus G. Scheye, Lawrence G. Besson, Martin M. Casey, Edward G. Najjar, Ralph S. Roberts, Robert C. Walsh, Brian B. Burns, Gail Erickson, Edward T. Harvey, James J. Latchford, George N. McNair, Kenneth Y. Millian, James P. Neeves, v.p.'s.

Directors: J. Peter Grace, chairman; Edward W. Duffy, Harold A. Eckmann, Charles H. Erhart, Jr., Mark C. Feer,

James W. Frick, Raymond C. Foster, George P. Gardner, Jr., Carl N. Graf, Paul F. Hellmuth, Christian F. Horn, Lloyd L. Jaquier, George P. Jenkins, Werner Kneip, Felix E. Larkin, Harold R. Logan, Robert C. Macauley, Frank E. Mackle, Jr., Roger Milliken, Henry G. Parks, Jr., John E. Phipps, William W. Prince, John A. Puelicher, Eben W. Pyne, D. Walter Robbins, Jr., Robert W. Samuels, Anwar Soliman, Grace Sloane Vance, David L. Yunich.

Textile Activities:

Specialty textile operations include drapery, mattress ticking and upholstery fabrics under the Bekaert label in Europe and Australia. Specialty textile printing in the U.S.

Textile Trademarks and/or Brand Names: Bekaert

Divisions:

Bekaert Australia Pty. Ltd.
 Abbots Road
 Lyndhurst, Victoria
 Australia

Bekaert Textiles N.V.

21 Hoogmolenstraat
 B 8970 Waregem
 Belgium
 Mattress ticking, textile wall coverings and upholstery fabrics.

Bekaert England Ltd.

47 Ropergate
 Pontefract, West Yorkshire
 England
 Mattress ticking, drapery fabrics.

Chemical Activities: Agricultural and industrial chemical operations encompass a broad range of products including container sealants and application equipment; auto exhaust catalysts for pollution control and petroleum cracking catalysts for the refining industry; flexible plastic packaging materials and equipment; printing blankets and letterpress plates from commercial and newspaper presses; concrete and mixtures and insulating materials, for construction; chelating agents and surfactants used in textile processing and soap manufacture; and water and waste treatment chemicals for industrial and municipal water systems.

Natural Resource Activities: Exploration, development and production of new domestic sources of energy—oil, gas and coal; specialized oil fields services and pulp and paper manufacturing.

Retail Activities: Operates 131 retail sporting goods stores under the name of Herman's World of Sporting Goods in the Northeast Midwest and Mid-Atlantic States; operates 319 home centers under the names Channel, Handy Dan, Handy City, Orchard Supply Hardware, HZ Home Quarters Warehouse, Ole's, Ole's Plus, Houseworks, Allwoods and Ca-h-way Building Material. Operates 10 Shepler stores in a world-wide catalog business specializing in leisure wear with a Western motif. Operates 88 J.B. Robinson Jewelry Stores and 145 Bermans leather apparel units.

Restaurant Activities: Operates 845 family restaurants, theme restaurants, dinnerhouses, specialty restaurants, Mexican dinnerhouses and fastfood restaurants throughout the country under such names as Coco's, Ico's, Del Taco, Houlihan's, Reuben's, and El Torito, Appiebee, Casa Maria, Darryl's, and Charley Brown's.

Transfer Agent(s):

Marine Midland Bank
 Corporate Trust Operations
 140 Broadway, 12th Floor
 New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Boston, Cincinnati, Philadelphia, Amsterdam, Basel, Frankfurt, Geneva, Hamburg, Lausanne, London, Paris, Zurich.

* Listed and/or traded.

Ticker Symbol: GRA

Sales and Earnings ×

	Net Sales ‡ (000's)	Net Income (000's)
1985	\$ 5,193,000	\$ 146,900
1984	5,059,500	198,000
1983	4,778,000	164,600

1982	4,890,900	315,400
1981	5,417,500	363,000

	No. of Com. Shares #	Earn per Share #
1985	51,908,000	\$ 2.82
1984	51,673,000	3.82
1983	51,600,000	3.17
1982	51,568,000	6.10
1981	51,461,000	7.04

× Restated to include operations of a specialty chemical business and a restaurant business acquired on a pooling of interests basis.

‡ Includes operating revenues; of continuing operations only.

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business (000's)

	1985	1984
Specialty chemicals	\$ 2,254,000	\$ 2,216,000
Consumer:		
Restaurant	1,026,000	849,000
General business	787,000	749,000
Commodity:		
Agric. chemicals	614,000	678,000
Natural resources	512,000	568,000
Total	\$ 5,193,000	\$ 5,060,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$2.80	—	—
1984	2.80	—	—
1983	2.80	—	—
1982	2.70	—	—
1981	2.45	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1985	\$ 2,394,200	\$ 43.40
1984	2,201,100	42.58
1983	2,182,700	42.26
1982	2,194,600	42.56

‡ After allowing for preferred stock at par value.

Income Account (000's)

Year ended Dec. 31	1985	1984 ‡
Net sales	\$ 5,193,000	\$ 5,059,500
Other income	146,600	53,400
Total Income	\$ 5,339,600	\$ 5,112,900
Cost of sales	3,548,800	3,323,400
Expenses	1,028,000	970,500
Depreciation, depletion & amortization	309,200	299,000
Research & devel.	92,000	81,000
Interest expense	187,000	173,100
Income before taxes	\$ 174,600	\$ 265,900
Income taxes	46,800	105,600
Inc. - cont. oper.	\$ 127,800	\$ 160,300
Inc. - discont. oper.	19,100	37,700
Net Income	\$ 146,900	\$ 198,000

‡ Restated.

Assets (000's)

As of Dec. 31	1985	1984 ‡
Cash	\$ 151,600	\$ 159,500
Notes & accts. receiv., net	703,700	664,800
*Inventories	607,600	1,050,500

Guilford Mills, Inc.

Invest. in discount oper.	510,500	—
Other assets	50,100	59,000

Current Assets	\$ 2,023,500	\$ 1,933,800
Investments & advances	317,900	275,800
#Fixed assets	2,596,000	2,695,800
Other assets	350,400	357,100
Intangibles	133,100	135,400

Total Assets	\$ 5,420,900	\$ 5,397,900
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Liabilities (000's)

Loans payable	\$ 294,200	\$ 202,900
Accts. payable	408,100	594,100
Income taxes	78,500	101,300
Other liabilities	254,500	283,300

Current Liabilities	\$ 1,035,300	\$ 1,181,600
Long-term debt	1,524,100	1,541,600
Other liabilities	194,500	162,800
Deferred inc. taxes	262,500	300,500
+ Preferred stock	10,300	10,300
+ + Common stock	55,200	51,800
Add. paid-in capital	615,400	475,000
Retained earnings	1,829,300	1,825,100
For. curr. adj.	(105,500)	8147,500)
Treasury stock	(200)	(3,300)

Total Liabilities & Shareholders' Equity	\$ 5,420,900	\$ 5,397,900
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‡ Restated.

* At lower of cost or market.

Less accumulated depreciation and depletion.

+ \$100 par value.

+ + \$1 par value.

Statistical Summary

%Net Income to Equity	6.11	8.95
Sales to Inventories	8.55	4.82
Debt to Equity	0.76	0.79
Working Capital	\$ 988,200,000	\$ 752,200,000
Current Ratio	1.95	1.64
Shareholders' Equity	\$2,404,500,000	\$2,211,400,000

Grafton Group Limited

(51% of the common shares owned by Greywinds Investments Limited)

9 Sunlight Park Road
P.O. Box 108
Postal Station G
Toronto, Ontario M4M 3G1, Canada
(416) 461-9411

Officers: W.A. Heaslip, chairman, chief executive officer & president; T.E. Topping, exec. v.p.; G.A. Reynolds, v.p.-finance, secretary & treasurer.

Directors: William A. Heaslip*, William F. James, James W. McCutcheon*, H. John McDonald*, George A. Reynolds*, T. Edward Topping, David B. Weldon*, Douglas C. Woolley, Thomas R. Young.

* Member of the Executive Committee.

Business Activities: Operates retail stores and departments selling men's and ladies' apparel under the names of Jack Fraser, Grafton, Jacks, The Loft, Sideffects, George Richards, Elks, and Dapper Dan. Also operates apparel departments in Woolco under a licensing arrangement and retail shoe stores under the names Maher, Copp, Julia, Footpath, and Reid Stores, located throughout Canada. Toby Industries Limited, a wholly-owned subsidiary, manufactures quilted bedspreads, decorator pillows, fashion products for the bathroom, and other home furnishings products.

Trademarks and/or Brand Names: Martex, Lady Pepperell.

Divisions and Subsidiaries:

Grafton-Fraser, Inc.
Toby Industries Limited
Grafton Realty Company, Limited
Maher Inc.

James B. McGregor Division
Forsyth Trading Company Limited (joint venture; 33 1/3% interest)
Elks Inc. (66% owned)
Seifert's Incorporated
Oak-Bay Corporation

Transfer Agent(s):

Guaranty Trust Company of Canada

Stock Exchange(s): Toronto

Ticker Symbol: GFGT

Sales and Earnings

	Net Sales	Net Income +
1986	\$ 514,007,000	\$ 26,373,000
1985	461,954,000	23,272,000
1984	429,654,000	18,456,000
1983	382,277,000	10,763,000
1982	368,345,000	8,948,000
	No. of Com. Shares ‡	Earn. per Share ‡ +
1986	18,738,000	\$ 1.32
1985	18,738,000	1.16
1984	18,738,000	0.90
1983	18,738,000	0.48
1982	18,738,000	0.39

+ Including extraordinary gains of \$886,000 (\$0.04 per share) in 1986, \$728,000 (\$0.04 per share) in 1985, \$301,000 (\$0.02 per share) in 1984 and extraordinary loss of \$5,398,000 (\$0.29 per share) in 1982.

‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1986	1985
Retail:		
Apparel	\$ 416,918,000	\$ 368,247,000
Footwear	78,340,000	75,142,000
Home furnishings	18,749,000	18,565,000
Total	\$ 514,007,000	\$ 461,954,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	\$0.23	—	3-for-1
1985	0.21	—	—
1984	0.19	—	—
1983	0.19	—	—
1982	0.18	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	\$ 151,595,000	\$ 8.09
1985	128,370,000	6.85
1984	110,297,000	5.89
1983	97,794,000	5.22
1982	92,637,000	4.94

‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Income Account

Year ended Jan. 31	1986	1985
Net sales:		
Retail	\$ 495,258,000	\$ 443,389,000
Mfg.	18,749,000	18,565,000
Total Revenues	\$ 514,007,000	\$ 461,954,000
Cost of sales & expenses	459,258,000	411,860,000
Depreciation	9,117,000	8,050,000
Amortization of cost	727,000	665,000
Interest expense	4,897,000	5,686,000
Misc. income	(4,174,000)	(3,666,000)
For. exch. loss (gain)	(345,000)	197,000

Prov. for loss on oil props.	3,250,000	—
Gain on sale of land	(1,732,000)	—

Inc. bef. taxes	\$ 43,009,000	\$ 39,162,000
Income taxes	16,927,000	16,068,000
Minority interest	595,000	550,000

Net Income	\$ 25,487,000	\$ 22,544,000
Extraord. gain	886,000	728,000

Net Income & extraord. gain	\$ 26,373,000	\$ 23,272,000
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Assets

As of Jan. 31	1986	1985
Cash	\$ 41,691,000	\$ 63,196,000
Marketable securities	40,256,000	12,055,000
Accts. receiv., net	23,810,000	18,785,000
*Inventories	79,939,000	70,172,000
Prepaid exp. & deposits	1,567,000	2,106,000

Current Assets	\$ 187,263,000	\$ 166,314,000
Investments	13,761,000	15,075,000
#Fixed assets	52,287,000	44,087,000
Unamort. fin. costs	145,000	169,000
Intangibles	14,962,000	14,917,000

Total Assets	\$ 268,418,000	\$ 240,562,000
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Liabilities

Long-term debt & cap. lease oblig., curr.	\$ 4,597,000	\$ 5,606,000
Accts. payable & accruals	61,363,000	57,924,000
Income & other taxes	10,462,000	8,816,000

Curr. Liabilities	\$ 76,422,000	\$ 72,346,000
Long-term debt	28,693,000	28,756,000
Cap. lease oblig.	5,786,000	5,970,000
Minority interest	3,746,000	2,783,000
Deferred inc. taxes	2,176,000	2,337,000
+ Common stock	9,930,000	9,995,000
For. curr. adj.	3,998,000	599,000
Retained earnings	137,667,000	117,776,000

Total Liabilities & Shareholders' Equity	\$ 268,418,000	\$ 240,562,000
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* Retail inventories at lower of cost or market and netrealizable value less normal profit margin. Raw materials at lower of cost and replacement cost.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.37	8.48
%Net Income to Revenues	4.96	4.88
%Net Income to Equity	16.81	17.56
Debt to Equity	0.26	0.31
Working Capital	\$110,841,000	\$ 93,968,000
Current Ratio	2.45	2.30
Shareholders' Equity	\$151,595,000	\$128,370,000

Guilford Mills, Inc.

4925 W. Market Street
Greensboro, North Carolina 27407
(919) 292-7550

180 Madison Avenue
New York, New York 10157
(212) 684-2300

Officers: Charles A. Hayes, chairman & chief exec. officer; George Greenberg, president & chief operating officer; Maurice Fishman, vice chairman & sr. v.p.; Norman C. Weisbecker, exec. v.p.; Paul R. McGarr, v.p.-finance & secretary; Stanley J. Mackney, Leonard Naider, v.p.-sales; Bernard Fleisher, v.p.-mfg.; James F. Watts, Jr., Lee Rosenberg, v.p.-administration; Donald L. Park, treasurer; Robert T. Spillane, v.p.-research & development; George T. Stansell, v.p.-engineering.

Guilford Mills, Inc.

Directors: Charles A. Hayes, chairman, Peter A. Brooke, Maurice Fishman, George Greenberg, Lester A. Lazarus, Paul R. McGarr, Sherry Jacobs, Bryan Lodder.

Business Activities: Develops, knits, dyes, prints, finishes, markets and sells warp knitted fabrics. Also knits synthetic yarns, principally nylon, polyester, Arnel and acetate into a variety of fabric for the sleepwear, loungewear and lingere markets, the dress and sportswear markets, home furnishings, the industrial and consumer markets; also engaged in finishing, dyeing and converting operations.

Trademarks and/or Brand Names: Ultraville, Luvtouch, Charmant, Ultrilure, Flannel-Flannel II, Natur, Liberty Velle, Terry Velour, Showtime, Sof-Touch, Fahrenheit, Voyant, GuilRiche, Cheminille, Warmth Rated, Polysuede, Starlure, Guilana, Guil-lour, Resolution III, Intima, Sew 'n Tell, Slumber One, Terry Mate, Cuddle Fleece, Poly One, Cancel Stat, Iron Velvet, Slumber Mate, Ultranelle, Chemstitch, Activa II, FR Chem-Free, Knit One, Natur Plus, Duravel, Encore, Status, Regency, Thermo-Quilt, Metalon, AutoTex, Dynasty One, Original Glimmer.

Plant Locations:

Greensboro, North Carolina (4)
Kenansville, North Carolina
Gainesville, Georgia
Augusta, Georgia

Divisions and Subsidiaries:

Guilford Kapwood, Limited
Cotes Park
Somercoates, Derbyshire
England DE554N)

Gilbert Frank Corp.
1412 Broadway
New York, New York 10018

Rouquinet Deroi Limited
Daleside Road, Meadow Lane
Nottingham, United Kingdom NG23GH

TRT Corporation:

Lumberton Dyeing & Finishing
610 East First Street
Lumberton, North Carolina 28358

Rosewood Fabrics
1450 Broadway
New York, New York 10018

Transco Textile Industries
1660 Dixon Airline Road
Augusta, Georgia 30903

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02106

Stock Exchange(s): New York

Ticker Symbol: GFD

Sales and Earnings

	Net Sales	Net Income
1985	\$ 356,521,000	\$ 17,304,000
1984	360,572,000	25,125,000
1983	254,575,000	15,201,000
1982	247,838,000	14,372,000
1981	253,377,000	20,682,000
	No. of Com. Shares †	Earn. per Share ‡
1985	7,858,442	\$ 2.20
1984	7,844,942	3.26
1983	7,199,280	2.11
1982	7,203,105	1.97
1981	7,395,342	2.80

† Adjusted to reflect stock splits.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1985	\$0.68	—	—
1984	0.54	—	—
1983	0.48	—	3-for-2
1982	0.46	—	—
1981	0.36	—	5-for-4

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	\$ 150,828,000	\$ 19.19
1984	139,343,000	17.76
1983	105,905,000	14.71
1982	94,425,000	13.11
1981	86,408,000	11.68

+ Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 356,521,000	\$ 360,572,000
Cost of sales	286,632,000	275,883,000
Expenses	38,503,000	35,519,000
Interest expense	1,540,000	1,142,000
Eq. in income of 50% owned affil.	—	(355,000)
Other expense	42,000	58,000
Income before taxes	\$ 29,804,000	\$ 48,325,000
Income taxes	12,500,000	23,200,000
Net Income	\$ 17,304,000	\$ 25,125,000

* Included in Costs and Expenses, Depreciation: \$11,275,000 in 1985 and \$9,812,000 in 1984.

Assets

As of June 30	1985	1984
Cash & short-term investments	\$ 2,286,000	\$ 7,610,000
Receiv., net	79,903,000	79,861,000
*Inventories	58,258,000	54,512,000
Prepaid expenses	3,303,000	1,970,000
Current Assets	\$ 143,750,000	\$ 143,953,000
#Fixed assets	68,382,000	55,853,000
Other assets	12,802,000	11,857,000
Total Assets	\$ 224,934,000	\$ 211,663,000

Liabilities

Long-term debt, curr.	\$ 1,390,000	\$ 1,441,000
Short-term borrowings	19,322,000	7,838,000
Accts. payable	22,161,000	27,918,000
Accruals	5,835,000	5,474,000
Income taxes	1,559,000	6,379,000
Curr. Liabilities	\$ 50,267,000	\$ 49,050,000
Long-term debt	11,860,000	12,103,000
Deferred inc. taxes	11,979,000	11,167,000
+ Common stock	198,000	198,000
Add. paid-in capital	21,453,000	21,346,000
Retained earnings	140,132,000	128,166,000
Foreign curr. trans.	(3,850,000)	(3,215,000)
Treasury stock	(7,105,000)	(7,152,000)
Total Liabilities & Shareholders' Equity	\$ 224,934,000	\$ 211,663,000

* At lower of cost or market.

Less accumulated depreciation and amortization.

+ \$0.25 par value

Statistical Summary

%Income bef. Taxes to Sales	8.36	13.40
%Net Income to Sales	4.85	6.97
%Net Income to Equity	11.47	18.03
Sales to Inventories	6.12	6.61

Debt to Equity	0.22	0.15
Working Capital	\$ 93,483,000	\$ 94,903,000
Current Ratio	2.86	2.93
Shareholder's Equity	\$150,828,000	\$139,343,000

Hampton Industries, Inc.

501 East Caswell Street
P.O. Box 614
Kinston, North Carolina 28502
(919) 527-8011

Officers: David Fuchs, chairman & chief executive officer; Sol Schechter, president; Roger Eichel, secretary; Paul L. Chused, v.p. & asst. secretary; Andrew Chused, treasurer & asst. secretary; Martin Camnitz, exec. v.p.; Robert J. Stiehl, Jr., v.p.-finance; Ronald L. Mueller, v.p.-mgmt. info. services; David M. Levitan, Herbert L. Ash, asst. secretaries.

Directors: David Fuchs, Sol Schechter, Paul Chused, Robert B. Patteson, Jr., David M. Levitan.

Business Activities: Engaged in the manufacture, importing and marketing of men's, girl's and boy's shirts and pajamas, women's blouses, sweaters, jackets, and sportswear coordinates.

Trademarks and/or Brand Names: J.G. Hook for Boys, J.G. Hook for Girls, Two East, Shirt Street, Sasson, McGregor for Boys, Hampton Shirt, Hampton Pajama & Robes, Sabine Sport, Hampton Girl, Break Away, Hampco, Walt Wear Apparel, Prepshirt.

Plant Locations: Kinston, Snow Hill, Washington, Wilson & Greenville, North Carolina; Martinsville, Chatham & Chase City, Virginia.

Subsidiaries:

Preshirt Inc.
Samsons, Inc.
Samsons Manufacturing Corp.
Kinston Shirt Company
Kinston Die Cutting Corp.
Prepshirt Mfg. Corp.
Kinston Paper Box Co., Inc.
Hampco Apparel, Inc.
Hampton Shirt Co., Inc. (New York)
Hampton Shirt Co., Inc. (North Carolina)
Snow Hill Apparel Co., Inc.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: HAI

Sales and Earnings

	Net Sales	Net Income
1985	\$ 157,012,537	\$ 3,222,810
1984	162,855,462	4,403,829
1983	130,730,335	2,737,513
1982	123,415,697	2,781,109
1981	110,834,478	3,149,325
	No. of Com. Shares †	Earn. per Share ‡
1985	3,069,953	\$ 1.03
1984	3,097,032	1.40
1983	3,180,068	0.84
1982	3,180,886	0.86
1981	3,181,193	0.97

† Based on the weighted average number of common and Class A shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	—
1984	—	10%	—

1983	—	10%	—
1982	—	10%	—
1981	—	10%	—

Common Stock Equity

	Total Equity *	Equity Per Share ‡
1985	\$ 39,963,539	\$ 13.02
1984	36,801,372	11.88
1983	33,418,342	10.51
1982	30,741,670	9.66
1981	28,020,604	8.81

* After allowing for preferred stock at par value.

‡ Based on the weighted average number of common and Class A shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 157,012,537	\$ 162,855,462
Cost of sales	127,095,889	129,808,350
Expenses	20,058,368	20,745,704
Interest expense	3,879,070	4,217,179
Income before taxes	\$ 5,979,210	\$ 8,084,229
Income taxes	2,756,400	3,680,400
Net Income	\$ 3,222,810	\$ 4,403,829

* Included in Costs and Expenses, Depreciation and Amortization: \$2,045,594 in 1985 and \$1,827,541 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	\$ 3,632,155	\$ 1,297,281
Accts. receiv. net	15,904,487	21,002,596
*Inventories	38,647,889	35,601,955
Prepaid expenses	812,849	388,968
Current Assets	\$ 58,997,380	\$ 58,290,800
#Fixed assets	20,970,158	20,947,198
Other assets	4,120,390	4,436,558
Total Assets	\$ 84,087,928	\$ 83,674,556

Liabilities

Notes payable	\$ —	\$ 4,820,348
Long-term debt, curr.	861,445	354,847
Accts. payable	7,202,753	6,269,756
Accruals	2,788,125	3,734,729
Income taxes	930,828	1,365,921
Curr. Liabilities	\$ 11,783,151	\$ 16,545,601
Long-term debt	30,315,088	28,376,533
Deferred inc. taxes	1,190,200	1,115,100
+ Preferred stock	835,950	835,950
+ Common stock	3,224,301	2,931,417
Add. paid-in capital	12,220,244	10,096,835
Retained earnings	25,597,721	24,851,847
Treasury stock	(1,078,727)	(1,078,727)
Total Liabilities	\$ 84,087,928	\$ 83,674,556

* At lower of cost (LIFO) or market

Less accumulated depreciation and amortization

+ \$100 par value; \$7 cumulative

++ \$1 par value

Statistical Summary

%Income bef. Taxes to Sales	3.81	4.96
%Net Income to Sales	2.05	2.70
%Net Income to Equity	7.90	11.70
Sales to Inventories	4.06	4.57
Debt to Equity	0.76	0.89
Working Capital	\$47,214,229	\$41,745,199
Current Ratio	5.01	3.52
Shareholders' Equity	\$40,799,489	\$37,637,322

Officers: Michael H. Cochrane, chairman of the board; James H. Laing, president & chief exec. officer; Colin K. Thompson, v.p.-human resources; H. Vernon Gordon, v.p.-manufacturing; W. Grant Ballantyne, v.p.-finance & chief financial officer; William B. Finlayson, v.p.-sales & distribution; Geoffrey P. Chamley, secretary & treasurer.

Directors: C. Malim Harding, James H. Laing, Michael Cochrane, Gerard H. Collins, Charles R. Pike.

Business Activities: Manufactures and distributes carpets in Canada for both residential and commercial use. Spins, heat-sets and processes a complete range of carpet yarns, as well as tufting, dyeing and finishing carpets at two manufacturing plants.

Textile Trademarks and/or Brand Names: Harding Carpets.

Plant Location(s): Brantford & Collingwood, Ontario.

Transfer Agent(s):

Montreal Trust Company
Montreal, Toronto, Regina, Calgary and Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: HRD

Sales and Earnings

	Net Sales (000's)	Net Income † (000's)
1985	\$ 118,182	\$ 3,089
1984	96,287	540
1983	95,635	1,849
1982	83,414	(12,970)
1981	100,878	1,050
	No. of Com. Shares ‡	Earn. per Share †
1985	13,603,485	\$ 0.23
1984	13,533,485	0.05
1983	9,741,985	0.26
1982	6,206,485	—
1981	5,183,342	0.20

(Loss)

† Includes extraordinary gains of \$1,000,000 (\$0.08 per share) in 1985, \$80,000 (\$0.01 per share) in 1984, \$1,475,593 (\$0.19 per share) in 1983 and \$845,000 (\$0.16 per share) in 1981.
‡ Class A, Class B, Class C and Class D combined.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 24,192,000	\$ 1.78
1984	21,043,000	1.55
1983	15,937,536	1.64
1982	10,030,934	1.62
1981	19,329,968	3.73

Income Account *

Year ended Oct. 31	1985	1984
Net sales	\$ 118,182,000	\$ 96,287,000
Cost of sales	90,511,000	74,895,000
Expenses	20,440,000	16,336,000
Debiture interest	1,551,000	1,413,000
Other interest	1,949,000	3,103,000
Income before taxes	\$ 3,731,000	\$ 540,000
Income taxes	1,642,000	80,000
Net Income	\$ 2,089,000	\$ 460,000
Extraord. gain	1,000,000	80,000
Net Income & extraord. gain	\$ 3,089,000	\$ 540,000

* Included in Costs and Expenses, Depreciation: \$1,542,000 in 1985 and \$1,560,000 in 1984.

Assets

As of Oct. 31	1985	1984
Accts. receiv., net	\$ 25,788,000	\$ 20,691,000
Amount due from affil. co.	—	941,000

*Inventories	25,545,000	24,361,000
Prepaid expenses	3,231,000	2,606,000

Current Assets	\$ 54,564,000	\$ 48,599,000
#Fixed assets	13,087,000	13,999,000
Other assets	721,000	1,830,000

Total Assets	\$ 68,372,000	\$ 64,428,000
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Liabilities

Bank advances	\$ 8,457,000	\$ 9,753,000
Long-term debt, curr.	3,374,000	2,501,000
Accts. payable & accruals	19,289,000	13,423,000

Curr. Liabilities	\$ 31,120,000	\$ 25,677,000
Long-term debt	13,060,000	17,708,000
+ Class A & Class B shares	6,835,000	6,835,000
+ Class C & Class D shares	14,860,000	14,800,000
Common shares	1,000	1,000
Retained earnings (deficit)	2,496,000	(593,000)

Total Liabilities & Shareholders' Equity	\$ 68,372,000	\$ 64,428,000
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* At lower of average cost and replacement cost or net realizable value.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.16	0.56
%Net Income to Sales	1.77	0.48
%Net Income to Equity	8.64	2.19
Sales to Inventories	4.63	3.95
Debt to Equity	0.68	0.96
Working Capital	\$23,444,000	\$22,922,000
Current Ratio	1.75	1.89
Shareholders' Equity	\$24,192,000	\$21,043,000

Hartmarx

(formerly Hart Schaffner & Marx)

101 North Wacker Drive
Chicago, Illinois 60606
(312) 372-6300

Officers: Richard P. Hamilton, chairman & chief executive officer; John R. Meinert, sr. vice chairman & chief financial and administrative officer; Elbert O. Hand, president; Harvey Weinberg, vice chairman & chief exec. officer-Hartmarx Specialty Stores, Inc.; Jerome Dorf, sr. v.p.; Frank A. Brenner, v.p.-marketing services; Ralph Kaufmann, v.p.-licensing; Mark J. Lies, v.p. & treasurer; Sherman D. Rosen, v.p.-human resources; Guy Gunzberg, v.p.-information systems; Alan R. Minoff, v.p.-corporate strategy and development; Glenn R. Morgan, v.p. & controller; Carey M. Stein, v.p., secretary & gen. counsel.

Directors: Jerome S. Gore*, John R. Meinert, Richard P. Hamilton, Donald P. Jacobs*, Raymond F. Farley*, Sam F. Segnar*, Burton B. Ruby, Charles Marshall*, James F. Chambers, Jr.*, A. Robert Abboud*, James E. Devitt*, Harvey A. Weinberg, Elbert O. Hand, Letitia Baldrige.

* Member of the Executive Committee.

Business Activities: Company labels range from the top-of-the-line Hickey-Freeman, Walter-Morton and Chester Barrie, with suits retailing for \$400 to about \$600, to Robert Surrey and Whiteville, with suits retailing from \$135 to \$165. Hart Schaffner & Marx and other brands fall between these price points.

The Hart Schaffner & Marx family of brands also markets designer suits including: Christian Dior, Pierre Cardin, Nino Cerruti and Cesarani. Three of these designers offer labels serving two different customer groups and price levels: for the more mature fashion customer, Christian Dior Grand Luxe, Pierre Cardin Couture and the Nino Cerruti Ligne Couture Collection; and for the younger fashion customer at more moderate prices, Christian Dior Monsieur, Pierre Cardin Boutique, and Nino Cerruti Rue Royale.

The acquisition of Country Miss in 1981 marked a move by the Company into women's apparel manufacturing. Country Miss apparel is targeted for key segments of the important, fast-growing market for coordinated sportswear and sport dresses for the moderate and better, updated customer. Country

Harding Carpets Limited

85 Morrell Street
Brantford, Ontario N3T 4J6
Canada
(519) 756-5241

Miss labels include Country Suburbans, Country Miss, Handmacher, Couture Specialties, Contima and Weathervane.

The Jack Nicklaus line carries the Hart Schaffner & Marx label. The Jack Nicklaus Golden Bear Collection of casual clothing is moderately priced, while the Jack Nicklaus Muirfield Collection is priced at the higher end. Johnny Carson Apparel, a collection of suits and sport coats, is tailored by the M. Wile division.

The emphasis of Society Brand, Ltd. is in the forward-fashion field. The Graham & Gunn, Ltd. and Allyn St. George market is in more traditional clothing. Austin Reed of Regent Street includes a women's wear collection complementing its line of British-influenced models and fabrics in American-made men's clothing.

The Jaymar-Ruby division markets its apparel with a group of labels including Sansabelt slacks, JaySport separates, the Cesarani collection of tailored clothing and sportswear and Ruby Ltd. coats.

Gleneagles manufactures rainwear for men and women and men's fashion outerwear, jeans and casual slacks. The Gleneagles division sells products under the Gleneagles, Hart Schaffner & Marx, Christian Dior and Jack Nicklaus labels. Two recent labels were Cesarani traditional clothing and sportswear for men, and Chester Barrie clothes for men and women.

Trademarks and/or Brand Names: Hart Schaffner & Marx, Chester Barrie, Couture Specialties, Contima, Ruby Ltd., Muirfield Collection, Golden Bear, JaySport, Jack Nicklaus, Christian Dior, Society Brand, Ltd., Graham & Gunn, Ltd., Sterling & Hunt, Fashionaire, Austin Reed of Regent Street, Allyn St. George, Ridigate, Nino Cerruti, Johnny Carson, Hickey-Freeman, Walter-Morton, Gleneagles, Jaymar, Sansabelt, Cary Middlecoff, Cesarani, Country Miss, Country Suburbans, Handmacher, Weathervane, Jaeger, Albert Nipon, Kuppenheimer, Pierre Cardin.

Divisions and Subsidiaries:

Manufacturing Group

Austin Reed of Regent Street
Christian Dior
Society Brand Ltd.
Graham & Gunn Ltd.
Fashionaire
Hart Schaffner & Marx Clothes
Jack Nicklaus
Walter Holmes/Society Brand

all located at:

101 North Wacker Drive
Chicago, Illinois 60606
Plants located: Marseilles, Chicago (3) and Rock Island (2), Illinois; Cape Girardeau & Chaffee, Missouri; Rochester, N.Y.; Michigan City, Indiana

Hickey-Freeman Co., Inc.
1155 Clinton Avenue, North
Rochester, New York 14621
Plants located: Rochester and Buffalo, New York.

M. Wile & Company, Inc.
2020 Elmwood Avenue
Buffalo, New York 14207
Plants located: Buffalo (2) and Dunkirk, New York.

Johnny Carson Apparel, Inc.
2020 Elmwood Avenue
Buffalo, New York 14207

Jaymar-Ruby, Inc.
5000 South Ohio Street
Michigan City, Indiana 46360
Plants located: Michigan City (5) and East Chicago, Indiana; Anniston, Alabama; Elizabethtown, Kentucky; Rector, Arkansas.

Country Miss, Inc. (92% owned)
Tatamy & Kesslersville Road
P.O. Box 769
Easton, Pennsylvania 18042
Plants located: Easton, Pennsylvania; Glasgow, Kentucky; Bristol, Virginia; Cookeville, Tennessee; Waterboro, South Carolina.

Intercontinental Apparel, Inc.
888 7th Avenue
New York, New York 10019

Gleneagles, Inc.
808 Gleneagles Court
Baltimore, Maryland 21204
Plants located: Baltimore (3), Maryland

Whiteville Apparel Corporation
1 Wilmington Road
Whiteville, (3) North Carolina 28472
Plants located: Whiteville (3), N.C.

Thorngate Uniforms, Inc.
2 DeKalb Street
Norristown, Pennsylvania 19401

Retail Stores Group

Baskin
Chicago, Rockford, Champaign-Urbana, Illinois; Madison, Wisconsin, Fort Wayne, Indiana.

Ray Beers
Topeka, Kansas

Blackburn's
Amarillo, Texas

Capper & Capper, Ltd.
Chicago, Illinois
Detroit, Michigan

Field Bros.
New York, New York

Arthur Frank
Salt Lake City, Utah

Frank Bros.
San Antonio, Texas

Hanny's
Phoenix, Arizona

Hasting's
San Francisco, Oakland, San Jose & Monterey, California

Jack Henry
Kansas City, Missouri

Heyward Mahon
Greenville, South Carolina

J.O. Jones
Charlotte & Raleigh, North Carolina

Kleinhans
Buffalo, New York

Klopfenstein's
Seattle & Tacoma, Washington; Portland, Eugene, Salem, Oregon; Anchorage, Alaska

Leopold Price & Rolle
Houston, Texas

Levy-Wolf
Jacksonville, Florida

Liemandt's
Minneapolis & St. Paul, Minnesota

Littler
Seattle, Washington

Merritt Schaefer & Brown
Austin, Texas

Porter Stevens
New Orleans, Louisiana

Root's
Summit & Red Bank, New Jersey

Shulman's
Norfolk & Hampton, Virginia

Silverwoods
Los Angeles, Santa Barbara, Palm Springs & Anaheim, California, Las Vegas, Nevada

Stevens
Jackson, Mississippi

F.R. Tripler & Co.
New York, New York

Walkers
Columbus, Akron, Canton & Dayton, Ohio

Wallachs
New York, Connecticut, Massachusetts, New Jersey,

Rhode Island & New Hampshire
Wallachs of Florida
Miami, Ft. Lauderdale, Boca Raton & Pompano Beach, Florida

Jas. K. Wilson
Dallas & Fort Worth, Texas

Wolf Bros.
Tampa, St. Petersburg, Ft. Myers & Bradenton, Florida

National Clothing
St. Louis, Missouri; Ft. Wayne, Indiana

Zachry
Savannah, Atlanta, Georgia;
Montgomery, Alabama; Asheville, North Carolina

Polo Shop
Seattle, Washington

deJong's
Evansville, Indiana

Chas. A. Stevens
Chicago, Rockford & Merrillville, Illinois

Robert's (49% owned)
Mexico City, Mexico

Acquisition(s):

Briar, Inc.
California-based manufacturer of men's ties and related jewelry.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: HSM

Sales and Earnings			
	Net Sales	Net Income	
1985	\$1,109,537,000	\$	42,660,000
1984	1,070,830,000		41,735,000
1983	961,846,000		37,615,000
1982	863,231,000		31,870,000
1981	815,560,000		27,410,000

	No. of Com. Shares +	Earn. per Share ‡
1985	12,588,668	\$ 3.38
1984	12,393,604	3.36
1983	12,238,624	3.05
1982	11,967,807	2.51
1981	12,866,287	2.11

+ Adjusted to reflect stock split.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business				
	1985	1984	1983	1982
Retail stores division	57%	57%	56%	53%
Manufacturing division	43	43	44	47
Total	100%	100%	100%	100%

Common Stock			
	Cash Dividend +	Stock Dividend	Stock Split
1985	\$1.28	—	—
1984	1.12	—	—
1983	0.91%	—	3-for-2
1982	0.80%	—	—
1981	0.72%	—	—

+ Adjusted to reflect stock split.

Common Stock Equity		
	Total Equity	Equity Per Share †
1985	\$ 332,412,000	\$ 26.41

1984	301,891,000	24.36
1983	271,703,000	22.20
1982	241,350,000†	20.19
1981	242,358,000†	18.89

‡ After allowing for preferred stock at liquidation value of \$67.50 per share.

† Adjusted to reflect stock split.

Income Account *

(000's)

Year ended Nov. 30	1985	1984
Net sales	\$ 1,109,537	\$ 1,070,830
Other income	16,052	16,984
Total Income	\$ 1,125,589	\$ 1,087,814
Cost of sales	641,246	626,309
Expenses	391,079	368,899
Interest expense	12,014	12,311
Income before taxes	\$ 81,250	\$ 80,295
Income taxes	38,590	38,560
Net Income	\$ 42,660	\$ 41,735

* Included in Costs and Expenses, Depreciation and Amortization: \$19,625,000 in 1985 and \$17,069,000 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	\$ 22,246	\$ 6,750
Accts. receiv., net	188,583	169,612
*Inventories	310,944	306,140
Prepaid expenses	8,430	5,055
Current Assets	\$ 530,203	\$ 487,557
#Fixed assets	129,694	115,948
Other assets	9,362	10,031
Total Assets	\$ 669,259	\$ 613,536

Liabilities

(000's)

Notes payable	\$ 38,600	\$ 33,000
Long-term debt, curr.	11,216	6,642
Accts. payable & accruals	138,176	133,646
Income taxes	12,032	10,143
Deferred taxes	22,078	17,638
Curr. Liabilities	\$ 222,102	\$ 201,069
Long-term debt	114,745	110,576
+ Common stock	34,925	34,625
Add. paid-in capital	20,164	17,195
Retained earnings	306,159	279,543
Foreign currency adjustment	(22,960)	(23,596)
Treasury stock	(5,876)	(5,876)
Total Liabilities & Shareholders' equity	\$ 669,259	\$ 613,536

* At lower of cost (LIFO and FIFO) or market.

Less accumulated depreciation and amortization.

+ \$2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.32	7.50
%Net Income to Sales	3.84	3.90
%Net Income to Equity	12.83	13.82
Sales to Inventories	3.57	3.50
Debt to Equity	0.50	0.50
Working Capital	\$308,101,000	\$286,488,000
Current Ratio	2.39	2.42
Shareholders' Equity	\$332,412,000	\$301,891,000

Officers: Alexander F. Giacco, chairman of the board, president & chief exec. officer; Robert J. Leahy, vice chairman; David S. Hollingsworth, vice chairman; Eugene D. Crittenden, Jr., v.p.-international; Arden B. Engebretsen, v.p., chief financial officer & treasurer; S. Maynard Turk, v.p. & general counsel; Edward J. Sheehy, v.p.-productivity management & operating services; Thomas V. McCarthy, v.p.-human resources; Ross O. Watson, v.p.-information resources; Francesco Bonmartini, v.p.-business development; George MacKenzie, controller; Daniel F. Desmond, Alexander L. Searl, asst. treasurers; Charles W.K. Gamble, secretary; Paul M. Kendall, asst. controller.

Directors: Alexander F. Giacco*, Guy T. McBride, Jr., John R. Petty, Arthur C. Nielsen, Jr., Robert J. Leahy*, Eugene D. Crittenden, Jr., Stuart E. Eizenstat, Arden B. Engebretsen*, David S. Hollingsworth*, Geoffrey R. Simmonds, Jerome Jacobson, Robert G. Jahn, Joan E. Spero.

* Member of the Executive Committee.

Business Activities: The Company is a world-wide supplier of a broad line of natural and synthetic materials and products and related systems. Products include such materials as cellulose, flavors and fragrances, natural and hydrocarbon resins, polypropylene fiber and film, propellants and advanced composites.

Textile products include: nonwoven polypropylene staple fiber which provides superior strength in sanitary facings for disposable hygiene products; polypropylene products used in Nouvell BCF carpet yarn, which offers resistance to stains, fading and wear; graphite fiber used in aircraft due to its light weight, strength, and stiffness, and used in filament-wound cases for submarine-launched missiles; and high-luster velvet yarn, trademarked Elustra, used in upholstered furniture.

Textile Trademark(s): Nouvelle, Elustra.

Textile Plant Location(s): Oxford, Georgia; Magna, Utah.

Divisions and Subsidiaries:

Mica Corporation
Culver City, California

Hercules Trading Corporation
Wilmington, Delaware

Hercules Overseas Corporation
St. Croix, Virgin Islands

Caribbean Lumber Company, Inc.
Savannah, Georgia

Esgraph Incorporated
Cerritos, California

Hercules Chemical Corporation
Wilmington, Delaware

Simmonds Precision Products, Inc.
Tarrytown, New York

Hercules do Brasil Produtos Quimicos Ltda
Sao Paulo, Brazil

Hercocem (H.K.) Ltd.
Hong Kong

Hersean Pte Ltd.
Singapore

Hercules International Trade Corporation Limited
Nassau, The Bahamas

Hercules Canada Inc.
Mississauga, Ontario, Canada

Hercules Limited
London, England

The Holden Vale Manufacturing Co., Ltd.
Haslingden, England

Nelsons Acetate Ltd. (50% owned)
Lancaster, England

Hercules France S.A.
Paris, France

Hercules GmbH
Hamburg, Germany

Hercules Far East KK
Tokyo, Japan

Patex Chemie GmbH
Traun, Austria

Hercules Chemical NV
Beringen, Belgium

A/S Kobehavns Pektinfabrik
Lille Skensved, Denmark

PFW Ltd.
Perivale, England

OY Hercotinn AB
Helsinki, Finland

Pomosi GmbH
Grossenbrude, Germany

Cesalpinia S.p.A.
Milan, Italy

Hercules Bewoid Italia S.p.A.
Milan, Italy

Quimica Hercules, SA de CV
Mexico

PFW (Nederland) BV
Amersfoort, The Netherlands

Ceratonia
Sociedad Anonima, Tarragona, Spain

Rohe, SA
Tarragona, Spain

Hercules Kemiska Aktiebolag
Goteborg, Sweden

Champlain Cable Corporation
Wilmington, Delaware

Hercules BV
Rijswijk, The Netherlands

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Wachovia Bank & Trust Company, N.A.
P.O. Box 3099
Winston-Salem, North Carolina 27102

Wilmington Trust Company
10th & Market Streets
Wilmington, Delaware 19890

Stock Exchange(s): New York, London, Zurich

Ticker Symbol: HPC

Sales and Earnings

	Net Sales (000's)	Net Income# (000's)
1985	\$ 2,587,200	\$ 133,200
1984	2,571,000	197,200
1983	2,629,000	174,200
1982	2,621,000	109,800
1981	2,856,900	146,200
	No. of Com. Shares	Earn per Share †
1985	54,300,000	\$ 2.40
1984	53,500,000	3.54
1983	52,900,000	3.17
1982	52,100,000	2.10
1981	49,900,000	2.81

Including extraordinary credit of \$11,553,000 (\$0.22 per share) in 1982.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Hercules Incorporated

Hercules Plaza
Wilmington, Delaware 19894
(302) 594-5000

Hercules Incorporated

Revenues By Line of Business (000's)

	1985	1984
Eng. & fabricated prods.	\$ 389,000	\$ 368,000
Specialty chemicals	1,156,000	1,151,000
Explosives & aerospace	844,000	748,000
Other prods.	198,000	304,000
Total	\$ 2,587,000	\$ 2,571,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.60	—	—
1984	1.48	—	—
1983	1.38	—	—
1982	1.32	—	—
1981	1.26	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$1,474,201,000	\$ 27.13
1984	1,366,911,000	25.55
1983	1,288,118,000	24.33
1982	1,141,316,000	21.90
1981	1,103,590,000	22.10

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 2,587,213	\$ 2,570,965
Cost of sales	2,062,333	1,791,306
Expenses	393,667	369,912
Interest expense	43,111	38,040
Interest income	(20,154)	(26,098)
Gain on dispos. of assets	(16,360)	—
Other expense	3,033	6,942
Income before taxes	\$ 121,583	\$ 190,863
Income taxes	39,038	66,133
Eq. in inc. of affil. cos.	(50,616)	(72,455)
Net Income	\$ 133,161	\$ 197,185

* Included in Costs and Expenses, Depreciation and Amortization: \$115,578,000 in 1985 and \$106,133,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash & market secur.	\$ 28,513	\$ 53,119
Accts. & notes receiv., net	583,426	467,124
*Inventories	433,832	422,280
Current Assets	\$ 1,045,771	\$ 942,523
Investments & advances	542,745	481,828
*Fixed assets	1,000,212	906,031
Other assets	70,094	58,107
Total Assets	\$ 2,658,822	\$ 2,388,489

Liabilities (000's)

Short-term debt	\$ 114,470	\$ 97,716
Accts. payable	156,296	149,030
Accruals	114,697	95,229
Income taxes	30,393	56,865
Curr. Liabilities	\$ 415,856	\$ 398,840
Long-term debt	530,779	421,015
Pension reserve	66,617	43,862
Deferred inc. taxes	171,369	157,861
+ Common stock	28,754	28,295
Add. paid-in capital	255,503	234,128
Foreign currency adjustment	(123,008)	(151,021)

Maketable equitable securities	—	(11,035)
Retained earnings	1,337,630	1,290,969
Treasury stock	(24,678)	(24,425)

Total Liabilities & Shareholders' Equity	\$ 2,658,822	\$ 2,388,489
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* At lower of cost or market. Domestic inventories at LIFO; foreign at average cost.

Less accumulated depreciation and amortization + \$25.48 stated value

Statistical Summary

%Income bef. Taxes to Sales	4.70	7.42
%Net Income to Sales	5.15	7.67
%Net Income to Equity	9.03	14.43
Sales to Inventories	5.96	6.09
Debt to Equity	0.44	0.38
Working Capital	\$ 629,915,000	\$ 543,683,000
Current Ratio	2.51	2.36
Shareholders' Equity	\$1,474,201,000	\$1,366,911,000

Howard B. Wolf, Inc.

3809 Parry Avenue
Dallas, Texas 75226
(214) 823-9941

Officers: Howard B. Wolf, chairman; Robert D. Wolf, president; Eugene K. Friesen, sr. v.p. & treasurer.

Directors: Howard B. Wolf*, Eugene K. Friesen*, Robert D. Wolf*, Joel Held.

* Member of the Executive Committee.

Business Activities: Manufactures women's apparel.

Trademarks and/or Brand Names: Howard Wolf, Pret-A-Porte, Ernesto W., Howard Wolf Sportswear.

Plant Location(s): Dallas & Greenville, Texas

Divisions:

Howard Wolf
3809 Parry Avenue
Dallas, Texas 75226

Designs and manufactures dresses and ensembles for women between 18 and 35 years of age, under the brand name "Howard Wolf".

Howard Wolf Sportswear
3809 Parry Avenue
Dallas, Texas 75226

Designs and manufactures sportswear, including separate skirts, pants, tops, jackets and sweaters in coordinated groups for the young woman.

Transfer Agent(s):

RepublicBank Dallas, N.A.
Dallas, Texas 75201

Stock Exchange(s): American

Ticker Symbol: HBW

Sales and Earnings

	Net Sales	Net Income#
1985	\$ 9,075,119	\$ (314,306)
1984	8,612,614	357,037
1983	6,938,112	70,287
1982	7,223,289	285,835
1981	8,360,554	(596,239)
	No. of Com. Shares	Earn. per Share ‡#
1985	1,081,191	\$ —
1984	1,081,191	0.24
1983	1,081,191	0.07
1982	1,081,191	0.26
1981	1,081,191	—

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Including extraordinary gains of \$28,060 (\$0.03 per share) in 1984, \$27,362 (\$0.03 per share) in 1983 and \$126,688 (\$0.11 per share) in 1982.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 5,241,387	\$ 4.85
1984	5,555,655	5.14
1983	5,306,092	4.90
1982	5,229,805	4.84
1981	4,943,970	4.57

Income Account *

Year ended May 31	1985	1984
Net sales	\$ 9,075,119	\$ 8,612,614
Cost of sales	6,984,841	6,056,289
Expenses	2,475,103	2,371,677
Interest expense	47,520	49,525
Interest income	(53,447)	(150,361)
Other income	(64,592)	(71,553)
Inc. (loss) bef. taxes	\$ (314,306)	\$ 357,037
Income taxes (credit)	(108,157)	129,534
Net Income (Loss)	\$ (206,149)	\$ 227,503
Extraord. gain	—	28,060
Net Income (Loss) & extraord. gain	\$ (206,149)	\$ 255,563

* Included in Costs and Expenses, Depreciation and Amortization: \$103,014 in 1985 and \$78,531 in 1984.

Assets

As of May 31	1985	1984
Cash & cash equiv.	\$ 1,026,475	\$ 908,723
Accts. receiv., net	1,258,532	1,490,900
*Inventories	3,515,737	3,316,958
Prepaid expenses	179,501	199,923
Refundable income taxes	98,945	—
Income tax benefit	26,226	26,226
Current Assets	\$ 6,105,416	\$ 5,942,730
*Fixed assets	982,721	960,025
Prop. not used in oper.	93,061	96,901
Other assets	67,902	47,892
Total Assets	\$ 7,249,100	\$ 7,047,548

Liabilities

Long-term debt, curr.	\$ 29,786	\$ 49,023
Accts. payable & accruals	1,297,980	1,224,980
Federal income tax payable	—	75,603
Notes payable, curr.	40,000	—
Curr. Liabilities	\$ 1,367,766	\$ 1,349,606
Mortgage payable	560,000	—
Long-term debt	60,724	90,510
Deferred Federal income tax	19,223	51,777
+ Common stock	360,400	360,400
Add. paid-in capital	2,034,088	2,034,088
Retained earnings	2,846,899	3,161,167
Total Liabilities & Shareholders' Equity	\$ 7,249,100	\$ 7,047,548

* At lower of cost or replacement market and at lower of average cost or net realizable value.

Less accumulated depreciation and amortization + \$0.33 1/2 par value.

INTERCO Incorporated

Statistical Summary

%Income bef. Taxes to Sales	—	4.15
%Net Income to Sales	—	2.64
%Net Income to Equity	—	4.09
Sales to Inventories	2.58	2.60
Debt to Equity	0.02	0.03
Working Capital	\$4,737,650	\$4,593,124
Current Ratio	4.46	4.40
Shareholders' Equity	\$5,241,387	\$5,555,655

Instrument Systems Corporation

100 Jericho Quadrangle
Jericho, New York 11753
(516) 938-5544

Officers: Harvey R. Blau, chairman; Robert Baleman, president; Myron I. Levy, v.p.; Herbert J. Fleming, v.p.; Susan E. Reilly, secretary; Patrick L. Alexia, treasurer.

Directors: Bertrand Bell, Abraham Buchman, J. Judd Cooperstein, Turner F. Caldwell, Roy Carol, J. Frank Stengel, Jr., William H. Waldorf, Robert Baleman, Harvey R. Blau, Clarence A. Hill, Jr., Robert Berman, Robert Bradley.

Subsidiaries:

Domestic Manufacturing Co., Inc.
Kinston, North Carolina
Specialty fabrics.

Nexus Industries, Inc. (49% owned)
Sportswear distributor.
Underwear Division
Andrews, Cades & Mars Bluff, South Carolina
Manufacturer of men's and boys' underwear.

Porter Mills Division
Cullman, Alabama
Manufacturer of infantswear and sportswear.

Oneita Knitting Mills
P.O. Drawer 24
Andrews, South Carolina 29510
(803) 264-5225

Sales Office
49 East 34th Street
New York, New York

Frog Tog Division
Andrews, South Carolina
Designer's sportswear specialties.

Fabric Division
Andrews and Fingerville, South Carolina
Knitting and dyeing.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ISY

Sales and Earnings

	Net Sales \$	Net Income #
1985	\$ 182,470,000	\$ 9,147,000
1984	115,374,000	6,592,000
1983	106,072,000	4,633,000
1982	104,273,000	(14,765,000)
1981	102,100,000	(11,407,000)
	No. of Com. Shares	Earn. per Share # +
1985	30,306,294	\$ 0.33
1984	21,394,985	0.29
1983	20,734,122	0.27
1982	7,555,392	—
1981	5,340,971	—

(Loss)
Of continuing operations only.

Including extraordinary gains of \$4,500,000 (\$0.16 per share) in 1985, \$2,800,000 (\$0.12 per share) in 1984, \$2,250,000 (\$0.13 per share) in 1983, \$2,000,000 (\$0.29 per share) in 1982 and \$430,000 (\$0.13 per share) in 1981.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Home furnishings & furn. related products	\$ 39,908,000	\$ 38,780,000
Specialty hardware	17,543,000	17,979,000
Electronic comm. equipment	54,050,000	46,053,000
Textiles	60,371,000	—
Other prods.	10,598,000	12,562,000
Total	\$ 182,470,000	\$ 115,374,000

Common Stock Equity

	Total Equity \$	Equity Per Share
1985	\$ 46,766,000	\$ 1.54
1984	24,066,000	1.12
1983	16,479,000	0.79
1982	14,148,000	1.87
1981	10,043,050	1.88

‡ After allowing for preferred stock Second Series I at liquidation value.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	\$ 182,470,000	\$ 115,374,000
Cost of sales	140,757,000	84,557,000
Expenses	32,112,000	23,881,000
Interest expense	3,505,000	1,459,000
Other income	(3,451,000)	(1,215,000)
Income bef. taxes	\$ 9,547,000	\$ 6,692,000
Income taxes	4,900,000	2,900,000
Net Income	\$ 4,647,000	\$ 3,792,000
Extraordinary gain	4,500,000	2,800,000
Net Income & extraord. gain	\$ 9,147,000	\$ 6,592,000

* Included in Costs and Expenses, Depreciation and Amortization: \$4,033,000 in 1985 and \$2,076,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash & cash equiv.	\$ 35,846,000	\$ 31,973,000
Accts. receiv., net	19,134,000	16,590,000
Inc. not yet billed	1,955,000	5,093,000
*Inventories	33,840,000	26,729,000
Prepaid expenses	4,778,000	3,164,000
Current Assets	\$ 95,553,000	\$ 83,549,000
#Fixed assets	28,836,000	14,588,000
Other assets	11,517,000	3,164,000
Total Assets	\$ 135,906,000	\$ 101,301,000

Liabilities

Notes payable	\$ 9,028,000	\$ 3,888,000
Long-term debt, curr.	3,846,000	358,000
Accts. payable	11,380,000	9,664,000
Accruals	15,285,000	8,125,000
Curr. Liabilities	\$ 39,539,000	\$ 22,035,000
Long-term debt	24,501,000	36,525,000
Cap. lease oblig.	5,218,000	365,000
Liab. of emp. stock ownership plan	2,440,000	850,000
Deferred income	369,000	387,000
+ Preferred stock: Series A	2,000	2,000
Series I	427,000	427,000
+ Common stock	7,615,000	5,354,000
Add. paid-in capital	86,976,000	73,441,000
Deficit	(23,092,000)	(32,239,000)
Deferred comp.	(3,701,000)	(1,886,000)
Treasury stock	(2,938,000)	(2,510,000)

Redempt. val. Series A pref. stock	(700,000)	(700,000)
Receiv. offset pursuant to purchase agreement	(750,000)	(750,000)

Total Liabilities & Shareholder's Equity	\$ 135,906,000	\$ 101,301,000
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* At lower of cost (FIFO or average) or market.

Less accumulated depreciation.

+ \$0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.23	5.80
%Net Income to Sales	2.55	3.29
%Net Income to Equity	14.33	9.22
Sales to Inventories	5.39	4.31
Debt to Equity	0.67	1.00
Working Capital	\$56,014,000	\$61,514,000
Current Ratio	2.42	3.79
Shareholders' Equity	\$63,839,000	\$41,139,000

INTERCO Incorporated

INTERCO Corporate Tower
101 South Hanley Road
St. Louis, Missouri 63105
(314) 863-1100

Officers: Harvey Saligman, chairman & chief exec. officer; Ronald L. Aylward, vice chairman; Harry M. Krogh, president & chief operating officer; Eugene F. Smith, sr. v.p.-finance; Stanley M. Cohen, J. Carl Powers, Charles J. Rothschild, Jr., Nathan S. Ancell, v.p.'s; Duane A. Patterson, secretary; Robert T. Hensley, Jr., treasurer; Stanley F. Huck, controller; Keith E. Mattern, gen. counsel & asst. secretary; James K. Pendleton, asst. secretary; William R. Withrow, asst. treasurer; Russell L. Baumann, asst. controller.

Directors: Nathan S. Ancell, Ronald L. Aylward*, Zane E. Barnes, Thomas H. O'Leary, Charles J. Rothschild, Jr., Harvey Saligman*, Stanley M. Cohen, Harry M. Krogh*, Edwin S. Jones, Donald E. Lasater*, Lee M. Liberman, Marilyn S. Lewis.

* Member of the Executive Committee.

Operating Groups:

Apparel Manufacturing Group

Designs, manufactures and distributes a full range of popular-priced branded and private-label sportswear, casual apparel and outer garments and headwear for men and women. Sportswear and casual apparel is produced in 151 apparel manufacturing plants and shipped to customers from 12 major distribution centers. The principal products for men include: woven and knit slacks, knit shirts — both sport and dress, sport coats, three-piece vested casual sport suits, rainwear, golf jackets, heavy outer garments, car coats, stadium coats, sweaters, jeans, western wear, outerwear, headwear, swim wear and walk shorts. For women: sweaters, slacks, skirts, vests, jackets, shirts, jeans, suits, dresses, pants, blouses, T-shirts, jumpers, culottes, blazers, rainwear, headwear, golf jackets, heavy outer garments, car coats and stadium coats. Major apparel brands for men include: Allyn St. George, Big Yank, Campus, Campsport, Cherokee, Clipper Mist, Cowden, Cowden Genes, Le Tigre, Donegal, JJ Cochran, John Alexander, London Fog, London Towne, Made on Earth, Maincoats, Outdoors Unlimited, Private Line, Prince Bellini, Royal Castle, Sportabouts, Tempo Europa, Rough Rider, Rugged Country, Tour de France, Startown, Tailor's Bench, Winning Edge, Work-Mates by Big Yank; for women include: College-Town, Devon, It's Pure Gould, Lady Devon, London Fog, Pant-her, Maincoats, Queen Casuals, Stuffed Shirt, Outdoors Unlimited, The Petite Concept, REJOICE!, among others.

Abe Schrader Corporation
New York, New York

Big Yank Corporation
350 Fifth Avenue
New York, New York 10001
(212) 736-9393

Cowden Manufacturing Company
300 New Circle Road N.W.
Lexington, Kentucky 40501
(606) 254-6627

INTERCO Incorporated

Campus Sportswear Company
Mack Centre Drive
Paramus, New Jersey 07652
(201) 262-9100

The Biltwell Company, Inc.
1128 Washington
St. Louis, Missouri 63103
(314) 231-3850

Devon Apparel, Inc.
3300 Frankford Avenue
Philadelphia, Pennsylvania 19134
(215) 719-2000

College-Town, Inc.
College-Town Drive
Braintree, Massachusetts 02184
(617) 848-1200

International Hat Company
St. Louis, Missouri

Queen Casuals, Inc.
10175 Northeast Avenue
Philadelphia, Pennsylvania 19116
(215) 677-3000

Londontown Corporation
London Town Road
Elderburg, Maryland 21784
(301) 795-5900

Stuffed Shirt Inc.
1470 Broadway
New York, New York 10018
(212) 221-0300

General Retail Merchandising Group

Operates 248 junior department stores, discount stores, men's and women's specialty apparel shops and supermarket-type hardware, lumber and building materials stores. The principal regional trading names include: Benchley, Central Hardware, Carithers, Falk's iD, Fine's, Golde's, Sky City Discount Centers, Keith O'Brien, Jeans Galore, Idaho Department Stores, and United Shirt.

Sky City Stores, Inc.
Asheville, North Carolina

Central Hardware Company
St. Louis, Missouri

Idaho Department Stores Co.
Caldwell, Idaho

Fine's Men's Shops, Inc.
1164 Azalea Garden Road
P.O. Box 749
Norfolk, Virginia 23501
(703) 857-6013

Golde's Department Stores, Inc.
St. Louis, Missouri

United Shirt Distributors, Inc.
1927 Michigan Avenue
Detroit, Michigan
(313) 962-9895

Footwear Manufacturing and Retailing Group

Styles, manufactures and distributes primarily men's footwear in most major price categories in the United States and Canada, and manufactures and wholesales men's footwear in Australia. Facilities include 13 shoe manufacturing plants and 3 major distribution centers. The company also operates 873 retail shoe stores and leased shoe departments in 43 states in this country, Canada, Mexico and Australia. Major footwear retail trading names include: Florsheim Shoe Shops for men, Florsheim Thayer McNeil Men's and Women's Shops, and Thompson, Boland & Lee. Major footwear brands for men include: Ambassador, Florsheim, Florsheim Imperial, Royal Imperial by Florsheim, Hy-Test, Idlers by Florsheim, Weeds from Florsheim, Julius Marlow, Outdoorsman, Winthrop, Worthmore, among others; for women, Avenues, Crawdads, Thayer McNeil, Florsheim, Marshmallows, among others.

The Florsheim Shoe Company
Canal, Adams & Clinton Street
Chicago, Illinois 60606
(312) 329-7500

International Shoe Company
1509 Washington Avenue
St. Louis, Missouri 63166
(314) 342-7000

Senack Shoes, Inc.
1248 Andes Boulevard
St. Louis, Missouri 63132
(314) 997-0330

Furniture and Home Furnishings Group

Manufactures and distributes quality Broyhill furniture and home furnishings under the name of Ethan Allen/King and Restocrat. There are 46 factories and 12 distribution centers and consolidated warehouses located throughout the United States. Major retail trading names include: Carriage House, Georgetown Manor, Manor House and Georgetown (28 stores).

Ethan Allen, Inc.
Danbury, Connecticut

Broyhill Furniture Industries, Inc.
Lenoir, North Carolina

Transfer Agent(s):

Morgan Guaranty Trust Company
New York, New York 10249
(212) 587-6434

Mercantile Bank National Association
St. Louis, Missouri 63166
(314) 425-2755

Stock Exchange(s): New York, Midwest (common shares only).

Ticker Symbol: ISS

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1986	\$ 2,510,740	\$ 92,347
1985	2,625,746	92,163
1984	2,678,886	116,194
1983	2,566,606	85,762
1982	2,673,769	118,615

	No. of Com. Shares +	Earn. per Share +
1986	15,820,000	\$ 5.84
1985	16,229,000	4.45
1984	16,562,000	7.02
1983	16,429,000	5.22
1982	16,406,000	7.23

+ Based on the average number of common shares and common share equivalents outstanding fully diluted.

Revenues By Line of Business (000's)

	1986	1985
Apparel	\$ 907,833	\$ 943,077
General retail	461,785	545,322
Footwear	558,286	580,467
Furniture	582,836	556,880
Total	\$ 2,510,740	\$ 2,625,746

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	\$3.08	—	—
1985	3.03	—	—
1984	2.88	—	—
1983	2.88	—	—
1982	2.88	—	—

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1986	\$1,045,266,000	\$ 66.07
1985	991,460,000	61.09
1984	1,020,754,000	61.63

1983	932,417,000	56.70
1982	885,500,000	53.97

+ After allowing for preferred shares at stated and involuntary liquidating value.

‡ Based on the average number of common shares and common share equivalents outstanding assuming full dilution.

Income Account * (000's)

Year ended	2/28/86	2/28/85
Net sales	\$ 2,510,740	\$ 2,625,746
Other income	32,230	31,852
Total Income	\$ 2,542,970	\$ 2,657,598
Cost of sales	1,725,343	1,813,934
Expenses	613,249	638,151
Interest expense	25,523	26,400
Redeployment	—	35,010
Income before taxes	\$ 178,855	\$ 144,103
Income taxes	86,508	71,940
Net Income	\$ 92,347	\$ 72,163

* Included in Costs and Expenses, Depreciation: \$44,853,000 in 1986 and \$44,643,000 in 1985.

Assets (000's)

As of	2/28/86	2/28/85
Cash	\$ 12,194	\$ 12,992
Marketable secur.	98,123	32,465
Accts. receiv., net	333,553	335,258
*Inventories	609,017	615,267
Prepaid expenses & other current assets	21,039	30,789
Current Assets	\$ 1,073,926	\$ 1,026,771
#Fixed assets	395,042	401,092
Other assets	94,872	107,378
Total Assets	\$ 1,563,840	\$ 1,535,241

Liabilities (000's)

Long-term debt, curr.	\$ 9,647	\$ 20,889
Accts. payable & accruals	209,110	220,839
Income taxes	7,987	3,710
Curr. Liabilities	\$ 226,744	\$ 245,438
Long term debt	127,409	133,311
Cap. lease oblig.	56,495	61,403
Other long-term liabilities	41,899	30,325
+ Preferred stock	66,027	73,304
+ + Common stock	119,038	117,102
Add. paid-in capital	102,380	91,496
Retained earnings	905,587	863,019
Treasury stock	(81,7399)	(80,157)
Total Liabilities & Shareholders' Equity	\$ 1,563,840	\$ 1,535,241

* At lower of cost (FIFO) or market except footwear at LIFO.

Less accumulated depreciation.

+ No par value; \$100 stated value.

+ + \$7.50 stated value.

Statistical Summary

%Income bef. Taxes to Sales	7.12	5.48
%Net Income to Sales	3.68	2.74
%Net Income to Equity	8.31	6.77
Sales to Inventories	4.12	4.26
Debt to Equity	0.17	0.20
Working Capital	\$ 847,182,000	\$ 781,333,000
Current Ratio	4.74	4.18
Shareholders' Equity	\$1,111,293,000	\$1,064,764,000

Jack Winter, Inc.

8100 North Teutonia Avenue
Milwaukee, Wisconsin 53209
(414) 357-4840

Officers: Jack A. Winter, chairman of the board & chief executive officer; Jack R. Winter, president & treasurer; Ken J. Pleimann, v.p. finance & secretary; Michael Winter, v.p. & pres.; Jack Winter Apparel, Inc.; Richard H. Miller, asst. secretary.

Directors: Jack A. Winter, Jack R. Winter, Michael Winter, Gerald F. Lahey, Robert J. Maier, Elmer L. Winter

Business Activities: Engaged in the production and sale of women's sportswear, including skirts, shirt jackets, coordinates, blazers, pants, and cardigans.

Trademarks and/or Brand Names: Jack Winter, Clothesworks.

Plant Location(s): Milwaukee, Wis.

Subsidiaries:

Jack Winter Apparel, Inc.

Transfer Agent(s):

First Wisconsin Trust Company
Milwaukee, Wisconsin

Stock Exchange(s): New York

Ticker Symbol: JW1

Sales and Earnings

	Net Sales +	Net Income †
1985	\$ 40,488,000	\$ 1,571,000
1984	40,000	(10,375,000)
1983	17,000	1,441,000
1982	99,000	303,000
1981	37,767,000	(2,884,000)

No. of Com. Shares ‡

	Earn. per Share ‡
1985	3,645,521
1984	3,645,445
1983	3,641,320
1982	3,719,372
1981	3,715,181

(Loss)

+ Of continuing operations only.

† Including extraordinary gains of \$174,000 (\$0.16 per share) in 1985, \$603,000 (\$0.17 per share) in 1984 and \$160,000 (\$0.04 per share) in 1983.

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.375	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 19,597,000	\$ 5.38
1984	18,026,000	4.94
1983	28,887,000	7.93
1982	28,129,000	7.56
1981	27,811,000	7.49

Income Account *

Year ended	1/4/86	1/5/85
Net sales	\$ 40,488,000	\$ 47,950,000
Cost of sales	26,754,000	44,666,000
Expenses	12,083,000	13,829,000
Interest expense	218,000	355,000
Gain on invest.	(183,000)	(37,000)

Income (loss) before taxes	\$ 1,616,000	\$ (10,863,000)
Income taxes	219,000	115,000

Net Income (Loss) Extraord. credit	\$ 1,397,000	\$ (10,978,000)
	174,000	603,000

Net Income (Loss) & Extraord. Credit	\$ 1,571,000	\$ (10,375,000)
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* Included in Costs and Expenses. Depreciation: \$838,000 in 1985 and \$557,000 in 1984.

Assets

As of	1/4/86	1/5/85
Cash & cash equiv.	\$ 327,000	\$ 266,000
Market securities	1,914,000	831,000
Accts. receiv., net	5,700,000	7,394,000
*Inventories	10,600,000	8,065,000
Prepaid expenses & other assets	516,000	317,000

Current Assets	\$ 19,057,000	\$ 16,873,000
#Fixed assets	5,501,000	5,826,000
Invest. in securities	4,352,000	7,263,000
Other assets	369,000	326,000

Total Assets	\$ 29,279,000	\$ 30,288,000
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Liabilities

Notes payable	\$ 6,465,000	\$ 8,973,000
Accts. payable	2,269,000	2,315,000
Accrued payroll & fringe benefits	398,000	501,000
Other accruals	362,000	260,000

Curr. Liabilities	\$ 9,494,000	\$ 12,049,000
Cap. lease oblig.	188,000	213,000
+ Common stock	3,811,000	3,811,000
Add. paid-in capital	313,000	313,000
Retained earnings	16,866,000	15,295,000
Treasury stock	(1,393,000)	(1,393,000)

Total Liabilities & Shareholders' Equity	\$ 29,279,000	\$ 30,288,000
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* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	3.99	—
% Net Income to Sales	3.45	—
% Net Income to Equity	7.13	—
Sales to Inventories	3.82	5.95
Debt to Equity	0.34	0.01
Working Capital	\$ 9,563,000	\$ 4,824,000
Current Ratio	2.01	1.40
Shareholders' Equity	\$19,597,000	\$18,026,000

Jays Industries, Inc.

24 Sixth Avenue
Brooklyn, New York 11217
(212) 622-0151

Officers: Sidney Zipper, chairman of the board, president & secretary; Jay Zipper, exec. v.p.; Stuart H. Jaffe, treasurer & asst. secretary.

Directors: Sidney Zipper, chairman; Stuart H. Jaffe, Howard Schaffer, Jerrold M. Sonet, Jay Zipper.

Business Activities: Manufactures and sells jeans, shirts, uniforms and other apparel; items and plastic hangers; supplies trimmings, zippers, linings and related items to the garment industry; also provides medical services through its 80%-owned subsidiary, C(A)T-ECG, Inc.

Trademarks and/or Brand Names: Seafarer, Lady Seafarer, Sea-Tuff, Skipper, Chief, Maurice Sasson, Zipper, Hotstuff, Donuts.

Location(s): Brooklyn, N.Y.; Hialeah, Florida.

Divisions and Subsidiaries:

Apparel Division

SGT Corporation
24 Sixth Avenue
Brooklyn, New York 11217

SGT Designer Fashions Inc.
24 Sixth Avenue
Brooklyn, New York 11217

Seagoing Uniform Corporation
24 Sixth Avenue
Brooklyn, N.Y. 11217

Seafarer Jeans & Casuals, Ltd.
24 Sixth Avenue
Brooklyn, N.Y. 11217

Transfer Agent(s):

Columbia Transfer Company
Bethpage, New York 11714

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 8,480,229	\$ (118,721)
1984	8,555,130	97,860
1983	10,352,555	174,865
1982	12,628,529	(208,547)
1981	15,123,472	(1,429,643)

No. of Com. Shares

	Earn. per Share ‡
1985	319,010
1984	319,010
1983	322,210
1982	369,980
1981	389,380

(Loss)

+ Of continuing operations only.

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	\$ 3,289,215	\$ 10.31
1984	3,407,936	10.68
1983	3,318,271	10.30
1982	3,278,079	8.86
1981	3,512,326	9.07

‡ After allowing for preferred stock at par value.

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 8,480,229	\$ 8,555,130
Cost of sales	6,974,308	6,684,026
Expenses	1,865,236	1,994,372
Interest expense	156,609	165,255
Invest. income	(212,879)	(271,547)
Other income	(276,653)	(161,846)
Amort. of excess over value	65,265	65,265
Minority interest	—	(2,000)
Income (loss) bef. taxes	\$ (91,657)	\$ 81,605
Income taxes (credit)	(27,064)	(16,255)
Net Income (Loss)	\$ (118,721)	\$ 97,860

* Included in Costs and Expenses, Depreciation and Amortization: \$65,265,000 in 1985 and \$65,265,000 in 1984.

Assets

As of June 30	1985	1984
Cash	\$ 49,418	\$ 354,281
Investments in secur.	2,299,091	2,310,885
Interest and dividends receiv.	64,738	59,340
Net investment	50,380	14,296

Jays Industries, Inc.

Accts. receiv., net	841,408	520,942
*Inventories	1,331,790	1,362,188
Notes receivable	34,582	46,783
Tax benefit receivable	104,890	170,080
Prepaid expense	35,074	28,257

Current Assets	\$ 4,811,371	\$ 4,867,052
#Fixed assets	695,575	937,004
Other assets	1,150,011	1,238,567
Total Assets	\$ 6,656,957	\$ 7,042,623

Liabilities

Notes payable	\$ 700,000	\$ 530,000
Accts. payable	1,320,459	1,340,572
Accruals	262,702	482,670
Income taxes	3,480	2,781
Long-term debt	630,046	694,199
Due to broker	405,949	172,728

Curr. Liabilities	\$ 3,322,636	\$ 3,222,950
Long-term debt	30,206	396,837
+ Preferred stock	14,900	14,900
+ + Common stock	5,340	5,340
Add. paid-in capital	1,224,973	1,224,973
Retained earnings	2,702,562	2,821,283
Treasury stock	(628,731)	(628,731)
Prof. shares issued	(14,929)	(14,929)

Total Liabilities & Shareholders' Equity	\$ 6,656,957	\$ 7,042,623
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* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$100 par value; 4% cumulative.
+ + \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.95
%Net Income to Sales	—	1.14
%Net Income to Equity	—	2.86
Sales to Inventories	6.37	6.28
Debt to Equity	0.22	0.27
Working Capital	\$1,488,735	\$1,644,102
Current Ratio	1.45	1.51
Shareholders' Equity	\$3,304,115	\$3,422,836

fabrics for the coating, home furnishing and apparel markets. Products include coated fabrics for car interiors, raincoats, firemen's gear, and apparel and specialty items such as luggage, handbags, and shoes.

Wales Manufacturing Company, Inc.
Gastonia, North Carolina

Manufactures knit fabrics for the apparel industry in a wide range of styles for sale to manufacturers of men's, women's and children's knitwear.

Geon International Company
Woodbury, New York

Exports automotive and truck parts as well as parts for tractor, industrial and marine use.

Transfer Agent(s):

The Bank of New York
48 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: JII

Sales and Earnings

	Net Sales	Net Income †
6/30/85	\$ 117,869,000	\$ 5,586,000
6/30/84	17,345,000	635,000
6/30/83	7,295,000	320,000
6/30/82*	7,622,000	1,095,000
12/31/81	14,516,000	2,222,000

	No. of Com. Shares ‡	Earn. per Share ‡‡
6/30/85	2,459,000	\$ 2.27
6/30/84	1,922,000	0.33
6/30/83	1,922,000	0.17
6/30/82*	1,922,000	0.57
12/31/81	1,922,000	1.16

* 6 months.

† Including extraordinary gains of \$412,000 (\$0.21 per share) in 1982 and \$911,000 (\$0.48 per share) in 1981.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Industrial & apparel textiles	\$ 111,415,000	\$ 12,246,000
Export of auto. parts & equip.	6,454,000	5,099,000
Total	\$ 117,869,000	\$ 17,345,000

Common Stock Equity

	Total Equity	Equity Per Share
6/30/85	\$ 24,043,000	\$ 7.49
6/30/84	11,020,000	5.73
6/30/83	10,385,000	5.40
6/30/82	10,065,000	5.24
12/31/81	8,970,000	4.67

Income Account (000's)

Year ended June 30	1985	1984
Net sales	\$ 117,869	\$ 17,345
Cost of sales	95,488	13,783
Expenses	8,689	2,617
Depreciation & amortization	2,615	309
Other expense (income)	2,162	(438)
Income before taxes	\$ 8,915	\$ 1,074
Income taxes	3,329	439
Net Income	\$ 5,586	\$ 635

Assets (000's)

As of June 30	1985	1984
Cash	\$ 14,018	\$ 11,225
Accts. receiv., net	9,372	11,574

*Inventories	22,105	22,038
Prepaid expenses	3,140	1,274

Current Assets	\$ 48,635	\$ 46,111
#Fixed assets	21,294	16,892
Other assets	3,316	3,627

Total Assets	\$ 73,245	\$ 66,630
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Liabilities (000's)

Notes payable	\$ —	\$ 8,500
Long-term debt, curr.	5,151	4,470
Accts. payable	5,821	5,303
Accruals	5,515	4,418
Income taxes	372	571
Other curr. liabilities	684	1,026

Curr. Liabilities	\$ 17,543	\$ 24,288
Long-term debt	27,563	27,280
Other liabilities	4,096	4,042
+ Common stock	337	208
Add. paid-in capital	13,920	6,612
Retained earnings	10,172	4,586
Treasur. stock	(386)	(386)

Total Liabilities & Shareholders' Equity	\$ 73,245	\$ 66,630
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* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.56	6.19
%Net Income to Sales	4.74	3.66
%Net Income to Equity	23.23	5.76
Sales to Inventories	5.33	0.79
Debt to Equity	1.36	3.65
Working Capital	\$31,092,000	\$21,823,000
Current Ratio	2.77	1.90
Shareholders' Equity	\$24,043,000	\$11,020,000

Johnston Industries, Inc.

111 Crossways Park West
Woodbury, New York 11797
(516) 921-1500

Officers: David L. Chandler, chairman of the board & chief exec. officer; Rainer H. Bosselmann, vice chairman; Otto Hays, president; Samuel Herskovitz, v.p., treasurer & secretary.

Directors: David L. Chandler, chairman; Rainer H. Bosselmann, William J. Hart, Otto Hays, Samuel Herskovitz, Seymour Shakin.

Business Activities: Manufactures textiles for the industrial, home furnishings, and apparel industries. Also, exports component parts for automotive equipment.

Plant Location(s): Opp, Phenix City, Alabama; Gastonia, North Carolina.

Divisions and Subsidiaries:

The Johnston Group Inc.

Southern Phenix Textiles, Inc.
Phenix City, Alabama

Manufactures woven fabrics from 100% polyester for use primarily in the automotive industry, in the bedding and furniture industries, and for the coating and laminating trades. Products include backings for foam car seat cushions, tufted upholstery and marine coated products, mattress ticking for popularly priced mattresses, and products for use in soft furniture.

Opp and Nicolas Mills, Inc.
Opp, Alabama

Manufactures more than 50 different styles (in the greige state) of all cotton fabric and cotton/polyester blended

Jostens, Inc.

5501 Norman Center Drive
Minneapolis, Minnesota 55437
(612) 830-3300

Officers: H. William Lurton, chairman of the board & chief executive officer; Robert W. Leslie, president & chief operating officer; Don C. Lein, exec. v.p.-finance & administration & secretary; Gary L. Buckmiller, sr. v.p.-education; Jack M. Holt, sr. v.p.-Scholastic Division; Robert L. Pope, sr. v.p.-printing & publishing-Artex division & international operations; Fred D. Bjork, v.p. & gen. mgr.-printing & publishing; Larry N. Bradford, v.p.-personnel; Orville E. Fisher, Jr., v.p., general counsel & asst. secretary; Louis G. Foye, v.p.-development; Gerald A. Haugen, v.p. & controller; Charles R. Herrmann, v.p.-sales development; Loren J. Hulber, sr. v.p., recognition, business products & Hazel division; Roger D. Peters, v.p.-management information systems; Robb L. Prince, v.p. & treasurer; James C. Waggoner, v.p.-operations, Scholastic Division; Brian J. Reilly, v.p.-international development; Ellis F. Bullock, Jr., v.p.-public affairs; Jim D. Burrow, v.p.-operations, printing & publishing division; David T. Beach, v.p. and gen. mgr.-Artex Division; Donald J. Dally, v.p. and gen. mgr.-Recognition Division; Paul M. Heim, assistant general counsel; Joan M. Kampmeyer, assistant treasurer; Ernest Hazel III, v.p. & chairman-Hazel, Inc.; Clyde C. Tidwell, v.p. & president-Jostens Education Systems, Inc.

Directors: H. William Lurton*, chairman; Robert P. Jensen, Don C. Lein, Robert W. Leslie*, Richard M. Paget, John M. Pitblado*, John W. Stodder*, Ernest Hazel III, William A. Andres.

* Member of the Executive Committee.

Textile & Apparel Business Activities:

Through its Artex subsidiary, the Company is engaged in the manufacture of custom-imprinted actionwear, including jerseys and traditional letter sweaters, for the discount store, college bookstore, and sporting goods markets. The Company also produces caps and gowns, and leather and vinyl office

Kellwood Company

supplies, including briefcases, portfolios and notebook holders.

Trademarks and/or Brand Names: Artex, College Boulevard, Spintwear.

Plant Locations: Manhattan, Overland Park, Yates Center, Kansas; Boonville, Missouri.

Textile/Apparel Divisions and Subsidiaries:

Artex Manufacturing
7600 Wedd
Overland Park, Kansas 66204
(913) 631-4040

Business Products Division
Manufactures leather and vinyl products for the office supply market.

Transfer Agent(s):

Norwest Bank of Minneapolis, N.A.
Minneapolis, Minnesota

Norwest Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: JOS

Sales and Earnings ‡

	Net Sales	Net Income
1985	\$ 529,769,000	\$ 37,985,000
1984	485,957,000	35,150,000
1983	451,263,000	30,968,000
1982	442,100,000	30,100,000
1981	392,800,000	25,800,000

	No. of Com. Shares †	Earn. per Share #
1985	21,700,000	\$ 1.76
1984	21,600,000	1.63
1983	21,500,000	1.44
1982	21,400,000	1.41
1981	21,300,000	1.21

‡ Restated to include operations of Hazel, Inc., acquired on a pooling of interests basis.

† Adjusted to reflect stock splits.

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	\$0.80	—	3-for-2
1984	0.71	—	—
1983	0.64	—	—
1982	0.59	—	—
1981	0.53	—	5-for-4

† Adjusted to reflect stock splits.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1985	\$ 199,000,000	\$ 9.18
1984	177,500,000	8.23
1983	156,300,000	7.25
1982	137,300,000	6.43
1981	122,400,000	5.74

‡ Restated.

† Adjusted to reflect stock splits.

Income Account * (000's)

Year ended June 30	1985	1984
Net sales	\$ 529,769	\$ 485,957
Cost of sales	286,401	260,132
Expenses	171,087	159,429

	(629)	(786)
Interest income		
Income before taxes	\$ 72,910	\$ 67,182
Income taxes	34,925	32,032
Net Income	\$ 37,985	\$ 35,150

* Included in Costs and Expenses, Depreciation and Amortization: \$10,722,000 in 1985 and \$8,474,000 in 1984.
‡ Restated

	Assets (000's)	
As of June 30	1985	1984 ‡
Cash & marketable secur.	\$ 76,529	\$ 71,061
Accts. receiv., net	82,512	77,067
Inventories	77,185	76,194
Prepaid expenses	793	1,025
Current Assets	\$ 237,019	\$ 225,347
#Fixed assets	64,506	61,345
Intangibles	8,424	2,639
Receiv. & other	4,181	4,667
Defer. charges	381	485
Total Assets	\$ 314,511	\$ 294,483

	Liabilities (000's)	
Long-term debt, curr.	\$ 1,079	\$ 711
Accts. payable	11,786	12,144
Salaries, wages & commissions	15,712	15,310
Customer deposits	26,622	23,210
Other accruals	13,140	16,413
Dividends payable	4,336	3,792
Income taxes	19,330	17,588
Curr. Liabilities	\$ 92,005	\$ 89,168
Long-term debt	15,633	21,545
Deferred inc. taxes	7,872	6,320
+ Common shares	7,225	4,792
Add. paid-in capital	13,406	16,284
Retained earnings	178,925	158,015
Foreign curr. translation adj.	(555)	(1,641)
Total Liabilities & Shareholders' Equity	\$ 314,511	\$ 294,483

‡ Restated

* At lower of cost (FIFO) or market; gold inventories at LIFO cost.

Less accumulated depreciation.

+ \$0.33 1/2 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.76	13.82
%Net Income to Sales	7.17	7.23
%Net Income to Equity	19.09	19.81
Sales to Inventories	6.86	6.38
Debt to Equity	0.08	0.13
Working Capital	\$145,014,000	\$136,179,000
Current Ratio	2.58	2.53
Shareholders' Equity	\$199,001,000	\$177,450,000

Kellwood Company

600 Kellwood Parkway
St. Louis, Missouri 63017
(314) 576-3100

Mailing Address:

P.O. Box 14374
St. Louis, Missouri 63178

Officers: Fred W. Wenzel, chairman of the board; William J. McKenna, president & chief exec. officer; Eugene D. Johnson, Gene Slagle, vice presidents; James C. Jacobsen, sr. v.p.-finance; Robert A. Maddocks, v.p., secretary & general counsel; Bud Berman, v.p.-corp. development; Roger D. Joseph, treasurer; Lawrence E. Hummel, controller.

Directors: Fred W. Wenzel*, chairman; Edward S. Bottum, Richard P. Conerly, William L. Davis*, Melville C. Hill, Jr.*, James C. Jacobsen*, James S. Marcus, William J. McKenna*, Dolor P. Murray*.

* Member of the Executive Committee.

Business Activities: Manufactures consumer products which include apparel for men, women and children and other soft goods for the home.

Trademarks and/or Brand Names: Name Droppers, Finesse, Sir Jac, Kicks, Northfield, WeatherRouge, Hilary, Kelly, Cape Cod Matchmates, Cricket Lane, American Collections Ltd., Parsons Place, Sag Harbor, Take I, Mazurka, Punch Line, Across the Street, Block Island, Roebuck, Denver Jean, Sasson.

Divisions and Subsidiaries:

Home Fashions Division

St. Louis, Missouri

Bedspreads, comforters, draperies and other textile products for the home. Plants located in Perry and Cuthbert, Georgia; Clinton, Oklahoma; Lewisburg, West Virginia.

Subsidiaries:

Lingerie/Active Sportswear Division
Summit, Mississippi

Pants/Jeans Division

Sweater Division

Fletcher, North Carolina

Kellwood Asia Limited

Smart Shirts Limited

Hong Kong

Manufactures high quality shirts and blouses for retailers and manufacturers.

Smart Shirts (Lanka) Limited

Columbo, Sri Lanka

Manufactures jeans, shirts and blouses.

Acquisition(s):

Cape Cod-Cricket Lane, Inc.

Brockton, Massachusetts

Manufactures and markets popular-priced women's coordinated sportswear.

Parsons Place Apparel Company Ltd.

Designs, manufactures and markets women's missy, junior, and special size separates.

Transfer Agent(s):

Mercantile Trust Company N.A.
One Mercantile Center
St. Louis, Missouri 63101

Stock Exchange(s): New York

Ticker Symbol: KWD

Sales and Earnings

	Net Sales	Net Income
1986	\$ 502,106,000	\$ 19,162,000
1985	466,940,000	15,510,000
1984	452,111,000	14,563,000
1983	448,542,000	11,086,000
1982	492,808,000	8,198,000

	No. of Com. Shares #	Earn. per Share #
1986	6,325,828	\$ 3.03
1985	6,126,328	2.53
1984	7,192,842	2.03
1983	7,022,566	1.58
1982	6,974,278	1.17

Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1986	1985
Apparel	\$ 383,915	\$ 339,621

Kellwood Company

Apparel-far east	118,191	127,319
Total	\$ 502,106	\$ 466,940

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1986	\$0.66	—	2-for-1
1985	0.525	—	—
1984	0.425	—	—
1983	0.20	—	—
1982	0.20	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	\$ 130,715,000	\$ 17.96
1985	95,988,000	16.59
1984	102,505,000	14.16
1983	91,199,000	12.92
1982	84,615,000	12.14

‡ Adjusted to reflect stock split.

Income Account *

	1986	1985
Net sales	\$ 502,106,000	\$ 466,940,000
Cost of sales	413,491,000	390,538,000
Expenses	51,509,000	44,234,000
Interest expense	9,473,000	12,815,000
Other income	(3,409,000)	(1,749,000)
Income before taxes	\$ 31,042,000	\$ 21,102,000
Income taxes	10,086,000	4,482,000
Inc. - cont. oper.	\$ 20,956,000	\$ 16,620,000
Loss - discount. oper.	(1,794,000)	(1,110,000)
Net Income	\$ 19,162,000	\$ 15,510,000

* Included in Costs and Expenses, Depreciation and Amortization: \$9,860,000 in 1986 and \$7,744,000 in 1985.

Assets

As of April 30	1986	1985
Cash	\$ 15,743,000	\$ 4,750,000
Receiv., net	44,555,000	65,681,000
*Inventories	109,929,000	142,506,000
Prepaid expenses	11,575,000	9,536,000
Current Assets	\$ 181,802,000	\$ 222,473,000
#Fixed assets	54,345,000	63,258,000
Other assets	33,679,000	14,401,000
Total Assets	\$ 269,826,000	\$ 300,402,000

Liabilities

Notes payable	\$ —	\$ 14,000,000
Long-term debt, curr.	1,904,000	2,134,000
Accts. payable	24,581,000	31,937,000
Accruals	29,535,000	21,168,000
Income taxes	4,574,000	2,583,000
Curr. Liabilities	\$ 60,594,000	\$ 71,822,000
Long-term debt	67,740,000	123,750,000
Deferred income	10,777,000	8,842,000
+ Common stock	33,978,000	13,770,000
Retained earnings	125,623,000	110,699,000
Cumulative translation adjustment	(8,857,000)	(8,816,000)
Treasury stock	(20,029,000)	(19,665,000)
Total Liabilities & Shareholders' Equity	\$ 269,826,000	\$ 300,402,000

* At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	14.66	16.16
Sales to Inventories	4.57	3.28

Debt to Equity	0.53	1.46
Working Capital	\$121,208,000	\$150,651,000
Current Ratio	3.00	3.10
Shareholders' Equity	\$130,715,000	\$ 95,988,000

Kennington, Ltd., Inc.

3209 Humboldt Street
Los Angeles, California 90031
(213) 225-1655

Officers: Leon J. Condon, president & treasurer; Stanley Tendler, chairman; Earl Sternfeld, v.p.-nat'l. sales; Donald Waldman, v.p.-operations; Bernard Karp, v.p.-"Winner Wear" Div.; Jerome Janger, secretary; Kathleen A. Hayes, controller.

Directors: Stanley Tendler, Leon J. Condon, Jerome Janger, Earl Sternfeld, Donald Waldman, Kathleen A. Hayes.

Business Activities: Engaged in the manufacture and marketing of shirts, sweater shirts, jackets, shorts, casual pants and active wear for men and boys. Also involved in real estate activities and the distribution of ball bearings.

Trademarks and/or Brand Names: Kennington, Kennington for Boys, Winner Wear, Colore.

Subsidiaries:

Kennington Properties, Inc.
Acquires and operates commercial properties.

Aircraft Bearing Corporation
Distributes miniature ball bearings.

Transfer Agent(s):

City National Bank
Los Angeles, California

Manufacturers Hanover Trust Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KENN (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 29,474,000	\$ (4,991,000)
1984	35,827,000	1,490,000
1983	45,576,000	3,141,000
1982	55,130,000	2,484,000
1981	75,073,000	8,293,000
	No. of Com. Shares	Earn. per Share ‡
1985	5,688,168	\$ —
1984	5,687,838	0.26
1983	5,685,693	0.55
1982	5,685,693	0.44
1981	5,685,693	1.46

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 65,745,000	\$ 11.56
1984	70,733,000	12.44
1983	69,226,000	12.18
1982	66,085,000	11.62
1981	63,601,000	11.19

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 29,474,000	\$ 35,827,000
Cost of sales	22,709,000	23,718,000
Expenses	8,568,000	8,908,000

Interest income	(643,000)	(4,398,000)
Loss from invest.	6,391,000	—
Inc. (loss) bef. taxes	\$ (7,551,000)	\$ 7,599,000
Income taxes (credit)	(2,560,000)	6,109,000
Net Income (Loss)	\$ (4,991,000)	\$ 1,490,000

* Included in Costs and Expenses, Depreciation and Amortization: \$1,691,000 in 1985 and \$773,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	\$ 33,961,000	\$ 41,845,000
Accts. receiv., net	4,212,000	3,181,000
Refundable taxes	3,735,000	—
*Inventories	8,617,000	13,934,000
Prepaid expenses & other income taxes	448,000	591,000
Current Assets	\$ 50,973,000	\$ 59,551,000
#Fixed assets	14,029,000	15,326,000
Other assets	15,233,000	14,997,000
Total Assets	\$ 80,235,000	\$ 89,874,000

Liabilities

Notes and acceptances payable	\$ —	\$ 95,000
Note payable	828,000	3,500,000
Accts. payable	846,000	2,040,000
Real estate deposit	400,000	—
Accruals	1,321,000	245,000
Income taxes	—	634,000
Deferred income taxes	—	2,124,000
Long-term debt, curr.	70,000	2,136,000
Current Liabilities	\$ 3,465,000	\$ 10,774,000
Deferred income taxes	2,923,000	—
Long-term debt	8,102,000	8,367,000
+ Common stock	569,000	569,000
Add. paid-in capital	2,127,000	2,124,000
Retained earnings	63,049,000	68,040,000
Total Liabilities & Shareholders' Equity	\$ 80,235,000	\$ 89,874,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	21.21
%Net Income to Sales	—	4.16
%Net Income to Equity	—	2.11
Sales to Inventories	3.42	2.57
Debt to Equity	0.14	0.17
Working Capital	\$47,508,000	\$48,777,000
Current Ratio	14.71	5.53
Shareholders' Equity	\$65,745,000	\$70,733,000

Kleinert's, Inc.

Whitemarsh Plaza, Suite 106
15 E. Ridge Pike
Conshohocken, Pennsylvania 19428
(215) 628-7261

Officers: Jack Brier, chairman of the board & chief exec. officer; Victor J. Montemayor, president & chief operating officer; Joseph J. Connors, treasurer & chief financial officer; Bernard M. Borish, secretary.

Directors: Jack Brier, Kenneth Brier, Bernhardt Denmark, Bernard M. Borish, Marvin Grossman, Victor J. Montemayor.

Business Activities: Manufactures and sells infants' and children's sleepwear and accessories, personal apparel including such items as dress and garment shields, sanitary items, incontinent pants and swim caps; also knits & dyes fabrics.

Trademarks and/or Brand Names: Bolero, Duralite, Pin-In, Slip-on, Softex, Solite, Sta-rite, Kleinert's, Teddy Bears, Mini-Dimensions, Little Dimensions, Baby-Gro.

Levi Strauss Associates Inc.

Divisions and Subsidiaries:

Kleinert's, Inc. of Alabama
Elba, Alabama 36323

Elba Division
Elba, Alabama 36323

Scott Mills Division
Gastonia, N.C. 28052

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLRT (NASDAQ)

Sales and Earnings

	Net Sales	Net Income +
1985	\$ 41,166,000	\$ 2,765,000
1984	39,952,000	2,880,000
1983*	36,422,000	1,022,000
1982	25,598,000	51,000
1981	23,925,000	(1,158,000)

	No. of Com. Shares ‡	Earn. per Share ‡ +
1985	1,690,000	\$ 1.64
1984	2,038,000	1.41
1983*	1,823,000	0.56
1982	1,809,000	0.03
1981	1,311,000	—

(Loss)

* 14 months.

+ Including extraordinary gains of \$1,272,000 (\$0.75 per share) in 1985, \$1,103,000 (\$0.54 per share) in 1984, \$462,000 (\$0.25 per share) in 1983 and \$16,000 (\$0.01 per share) in 1982.

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 11,656,000	\$ 6.90
1984	11,189,000†	5.49
1983	6,480,000†	3.55
1982	5,458,000†	3.02
1981	5,407,000†	4.12

‡ Based on the weighted average number of shares outstanding.

† After allowing for preferred stock at liquidating value.

Income Account *

As of	11/30/85	12/1/84
Net sales	\$ 41,166,000	\$ 39,952,000
Cost of sales	34,388,000	33,140,000
Expenses	2,669,000	2,511,000
Interest expense	1,209,000	1,269,000
Income before taxes	\$ 2,900,000	\$ 3,032,000
Income taxes	1,407,000	1,255,000
Net Income	\$ 1,493,000	\$ 1,777,000
Extraord. gain	1,272,000	1,103,000
Net Income & Extraord. Gain	\$ 2,765,000	\$ 2,880,000

* Included in Costs and Expenses, Depreciation and Amortization: \$438,000 in 1985 and \$392,000 in 1984.

Assets

As of	11/30/85	12/1/84
Cash	\$ 343,000	\$ 275,000
Trade accts. receiv., net	8,298,000	8,862,000
*Inventories	11,442,000	8,318,000
Other assets	563,000	614,000
Current Assets	\$ 20,646,000	\$ 18,069,000
#Fixed assets	4,935,000	5,434,000

Other assets	1,861,000	1,041,000
Total Assets	\$ 27,442,000	\$ 24,544,000

Liabilities

Notes payable	\$ 3,478,000	\$ 3,340,000
Accts. payable	4,118,000	3,037,000
Accruals	1,231,000	1,075,000
Curr. Liabilities	\$ 8,827,000	\$ 7,452,000
Long-term debt	6,959,000	4,403,000
+ Preferred stock	—	250,000
+ + Common stock	4,039,000	5,111,000
Add. paid-in capital	11,307,000	13,763,000
Retained earnings (deficit)	(3,555,000)	(6,320,000)
Treasury stock	(115,000)	(115,000)
Total Liabilities & Shareholders' Equity	\$ 27,442,000	\$ 24,544,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

+ + \$2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.04	7.59
%Net Income to Sales	3.63	4.45
%Net Income to Equity	12.81	14.00
Sales to Inventories	3.60	4.80
Debt to Equity	0.90	0.61
Working Capital	\$11,819,000	\$10,617,000
Current Ratio	2.34	2.42
Shareholders' Equity	\$11,656,000	\$12,689,000

Levi Strauss Associates Inc.

(Formerly Levi Strauss & Co.)

NOTE: This is a private company. There is no established market for the Company's common stock.

P.O. Box 7215
1155 Battery Street
San Francisco, California 94120
(415) 544-6000

Officers: Peter E. Haas, Sr., chairman of the board; Robert D. Haas, president & chief executive officer; Donna Goya, v.p. - human resources; George James, sr. v.p. & chief financial officer; Rita M. Guiney, v.p. - corporate affairs; Tom Tusher, exec. v.p. & chief operating officer; Peter L. Thigpen, sr. v.p. & president-The Jeans Company; Thomas J. Bauch, sr. v.p., gen. counsel & secretary; Leo P. Isotalo, sr. v.p. & president-Battery Street Enterprises; David D. Smith, v.p. & treasurer; Lee C. Smith, sr. v.p. & president-Levi Strauss International; Munel Davis, v.p. & corp. controller.

Directors: Peter E. Haas, Sr., Robert D. Haas, Walter A. Haas, Jr., Rhoda Goldman, Tully M. Friedman, Peter E. Haas, Jr., F. Warren Hellman, James M. Koshland.

* Member of the Executive Committee.

Business Activities: Incorporated solely for the purpose of acquiring Levi Strauss & Co., the predecessor company, which designs, manufactures and markets a diversified line of apparel for men, women, boys, and girls, principally under the Levi's trademark; also includes such other brand names as Koret of California, Oxford.

Plant Location(s): Albuquerque, Roswell, New Mexico; Amarillo, Corpus Christi, El Paso, Harlingen, McAllen, San Angelo, San Antonio, San Benito, Wichita Falls, Texas; Blackstone, Warsaw, Virginia; Blue Ridge, Valdosta, Georgia; Canton, Mississippi; Centerville, Elizabethton, Johnson City, Knoxville, Maryville, Mountain City, Powell, Tennessee; Chicago, Illinois; Fayetteville, Harrison, Little Rock, Morrilton, Wynne, Arkansas; Florence, Kentucky; Henderson, Nevada; Murphy, North Carolina; Napa, San Francisco, California; Price, Utah; Sunbury, Pennsylvania.

Trademarks and/or Brand Names: Bend Over, David Hunter, Dura Plus, Durawale, 501, 505, 517, Hardwear Jeans, Levi's, Levi's Action Slacks, Levi's For Feet, Little Levi's,

Saddleman, Sport Timer, Sta-Prest, Stretch Levi's, Tab Device, Two Horse, Flatter Fit, Guarantee Ticket, Shrink To Fit, Snap To Fit.

Divisions and Subsidiaries:

The Jeans Company

Levi Strauss International

Battery Street Enterprises

Koret of North America
Oxford
Menswear
Battery Street Sportswear
Eximco
Perry Ellis America
Frank Shorter's Running Gear
David Hunter

NOTE: The Company was incorporated on July 3, 1985, solely for the purpose of acquiring Levi Strauss & Co. in a leveraged buyout transaction. The acquisition was accomplished on August 30, 1985; therefore, the Company's results for the period from inception to the end of the year include the operations of Levi Strauss & Co. from acquisition date.

Sales and Earnings

	Net Sales	Net Income
1985*	\$ 679,056,000	\$ (114,328,000)
	No. of Com. Shares ‡	Earn. per Share ‡
1985*	7,726,500	\$ —

(Loss)

* 5 months.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	90-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 64,959,000	\$ 8.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	11/24/85 (5 months)
Net sales	\$ 679,056,000
Cost of sales	579,322,000
Expenses	157,526,000
Interest expense	45,221,000
Other expenses	4,803,000
Loss before taxes	\$ (107,816,000)
Income taxes	6,512,000
Net Loss	\$ (114,328,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$24,170,000 in 1985.

Assets

As of Nov. 24	1985
Cash & temp. cash invest.	\$ 169,500,000
Accts. receiv., net	390,984,000
*Inventories	379,146,000
Other curr. assets	93,711,000
Current Assets	\$1,033,341,000
#Fixed assets	361,077,000
Other assets	20,132,000
Intangibles	713,750,000
Total Assets	\$2,128,300,000

Levi Strauss Associates Inc.

Liabilities	
Short-term borrowings	\$ 8,575,000
Long-term debt & cap. lease oblig., curr.	160,668,000
Accts. payable	97,622,000
Accruals	177,702,000
Accrued payroll	88,099,000
Taxes payable	113,787,000
Curr. Liabilities	\$ 646,453,000
Long-term debt	1,323,015,000
Cap. lease oblig.	17,268,000
+ Common stock	773,000
Add. paid-in capital	168,654,000
Accum. deficit	(114,328,000)
Translation adjust.	9,860,000
Total Liabilities & Shareholders' Equity	\$2,128,300,000

* At lower of average cost or market.
Less accumulated depreciation.
+ \$0.10 par value.

Statistical Summary	
Sales to Inventories	1.79
Working Capital	\$386,888,000
Current Ratio	1.60
Shareholders' Equity	\$ 64,959,000

Littlefield, Adams & Company

81 Adams Drive
Totowa, New Jersey 07512
(201) 256-8600

Officers: Gilbert Raff, president & chief exec. officer; Clinton J. Adams, v.p.; Andrew Christensen, v.p. & president-Collegiate-Pacific Company; Richard W. Meany, secretary & treasurer; Florence V. Benda, asst. secretary.

Directors: Clinton J. Adams, Andrew Christensen, Charles D. Fox, III, Henry Littlefield, Gilbert Raff.

Business Activities: Engaged in the imprinting and selling of athletic and leisure wear under the name Collegiate-Pacific. Products include imprinted T-shirts, sweatshirts, sport shirts, jerseys, and sportswear. Also manufactures and imprints novelty items, including caps, pennants, banners, blankets and pillows, and publishes a diversified line of academic books.

Trademarks and/or Brand Names: Collegiate-Pacific.

Plant Location(s): Roanoke, Virginia; Gardena, California.

Divisions:
Collegiate-Pacific Company
Littlefield, Adams & Company, Publishers
Rowman and Littlefield
Biblio Distribution Center

Transfer Agent(s):
Midlantic National Bank
Edison, New Jersey

Stock Exchange(s): American

Ticker Symbol: LFA

Sales and Earnings		
	Net Sales	Net Income
1985	\$ 20,875,000	\$ (332,000)
1984	22,936,000	(840,000)
1983	24,799,000	(717,000)
1982	29,388,000	(31,000)
1981	34,237,000	701,000
	No. of Com. Shares	Earn. per Share
1985	1,073,820	\$ —
1984	1,073,820	—
1983	1,073,820	—
1982	1,073,820	—
1981	N.A.	0.68

N.A. - Not Available.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business		
	1985	1984
Imprinted leisurewear	\$ 18,087,000	\$ 19,782,000
Publishing	2,788,000	3,154,000
Total	\$ 20,875,000	\$ 22,936,000

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	0.08	—	—
1982	0.24	—	—
1981	0.32	—	—

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1985	\$ 6,867,000	\$ 6.39
1984	7,153,000	6.66
1983	8,019,000	7.47
1982	8,983,000	8.37
1981	10,024,000	8.35

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *		
	(000's)	
Year ended Dec. 31	1985	1984
Net sales	\$ 20,875	\$ 22,936
Cost of sales	16,768	17,755
Expenses	5,452	5,527
Interest expense	991	828
Gain on sale of prop.	(2,009)	—
Loss before taxes	\$ (327)	\$ (1,174)
Income taxes (credit)	5	(334)
Net Loss	\$ (332)	\$ (840)

* Included in Costs and Expenses, Depreciation and amortization: \$611,000 in 1985 and \$568,000 in 1984.

Assets		
	(000's)	
As of Dec. 31	1985	1984
Cash	\$ 156	\$ 268
Accts. receiv., net	4,330	3,995
Refundable taxes	—	364
*Inventories	7,278	8,595
Prepaid expenses	505	371
Current Assets	\$ 12,269	\$ 13,593
Investments in affil.	353	298
#Fixed assets	2,585	3,115
Other assets	66	91
Intangibles	506	506
Total Assets	\$ 15,779	\$ 17,603

Liabilities		
	(000's)	
Long-term debt, curr.	\$ 78	\$ 219
Accts. payable	2,947	3,492
Accruals	637	822
Curr. Liabilities	\$ 3,662	\$ 4,533
Long-term debt	4,849	5,544
Deferred compensation	401	373
+ Common stock	1,235	1,235
Add. paid-in capital	2,465	2,465
Retained earnings	4,140	4,472
For. curr. trans. adj.	(140)	(186)
Treasury Stock	(833)	(833)
Total Liabilities & Shareholders' Equity	\$ 15,779	\$ 17,603

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary		
Sales to Inventories	2.87	2.67
Debt to Equity	0.72	0.81
Working Capital	\$8,607,000	\$9,060,000
Current Ratio	3.35	3.00
Shareholders' Equity	\$6,867,000	\$7,153,000

Liz Claiborne, Inc.

1441 Broadway
New York, New York 10018
(212) 354-4900

Officers: Elisabeth Claiborne Ortenberg, president; Arthur Ortenberg, co-chairman of the board & secretary; Jerome A. Chazen, co-chairman of the board; Harvey L. Falk, exec. v.p.-finance & treasurer; John F. Consolini, exec. v.p.-operations; Robert Bernard, sr. v.p.-sportswear, sales; Margaret A. Contreras, sr. v.p.-production planning; Kenneth Ganz, sr. v.p.-corp. distribution; Mitchell Lewis, sr. v.p.-sportswear, merchandising; Alois J. Lohn, sr. v.p.-production; Jay Margolis, sr. v.p.-Menswear Division, president; Harriet Mosson, sr. v.p.-Dress Division, president; Jack Listanowsky, v.p.-sportswear, knitwear production; Claudia Wong, v.p.-corp. Far East operations.

Directors: Arthur Ortenberg, Jerome A. Chazen, co-chairmen of the board; Elisabeth Claiborne Ortenberg, Harvey L. Falk, Leonard Boxer, J. James Gordon, Sherwin Kamin.

Business Activities: Designs, contracts for the manufacture of, and markets an extensive range of women's apparel and accessories as well as girls' and men's sportswear.

Trademarks and/or Brand Names: Liz Claiborne, Lizwear, Lizkids, Liz, Claiborne, Lizsport.

Divisions and Subsidiaries:

Spectator Division
Sophisticated style of sportswear geared primarily for the career women's working needs.

Lizsport Division
Sportswear collections geared primarily for the home and the more casual working environment.

Lizwear Division
Casual style of sportswear geared primarily for weekend dressing needs.

Dress Division
A wide variety of dresses, including a knitwear collection in both the "Missy" and petite size ranges.

Girls Division
Markets girls' sportswear under the trademark Lizkids.

Menswear Division
Men's sportswear.

Kayser-Roth Corporation
Manufactures and markets handbags, belts, scarves and other related accessories.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LIZC

Sales and Earnings		
	Net Sales	Net Income
1985	\$ 556,553,000	\$ 60,580,000
1984	391,272,000	147,517,000
1983*	228,722,000	84,064,000
1982	165,722,000	56,142,000
1981	116,831,000	40,625,000

Louisville Bedding Company

	No. of Com Shares ‡	Earn. per Share ‡
1985	42,697,912	\$ 1.42
1984	42,288,570	0.99
1983*	42,006,672	0.53
1982	41,802,672	0.34
1981	39,900,816	0.26

* 53 weeks.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	\$0.16	100% ‡	—
1984	0.09	100% ‡	—
1983	—	100% ‡	—

† Adjusted to reflect stock dividends.

‡ Declared Feb. 25, 1986.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 162,729,000	\$ 3.81
1984	104,417,000	2.47
1983	64,498,000	1.54
1982	41,170,000	0.98

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 556,553	\$ 391,272
Cost of sales	341,700	243,755
Expenses	97,325	66,291
Interest income	(2,072)	(1,061)
Income before taxes	\$ 119,600	\$ 82,287
Income taxes	59,020	40,349
Net Income	\$ 60,580	\$ 41,938

* Included in Costs and Expenses, Depreciation and Amortization: \$3,129,000 in 1985 and \$2,115,000 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	\$ 955	\$ 2,700
Short-term invest.	55,225	8,146
Accts. receiv., net	58,940	41,073
*Inventories	72,846	73,394
Other curr. assets	12,109	7,671
Current Assets	\$ 200,075	\$ 132,984
#Fixed assets	11,191	9,528
Construc. in progress	3,460	—
Other assets	7,838	314
Total Assets	\$ 222,564	\$ 142,826

Liabilities

Accts payable	\$ 26,804	\$ 23,294
Accruals	15,574	8,899
Income taxes	3,527	3,492
Curr. Liabilities	\$ 45,905	\$ 36,685
Long-term debt	10,000	—
Deferred inc. taxes	3,930	2,724
+ Common stock	42,904	21,235
Add paid-in capital	12,865	8,408
Retained earnings	106,960	74,774
Total Liabilities & Shareholders' Equity	\$ 222,564	\$ 142,826

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Income before Taxes to Sales	21.49	21.03
%Net Income to Sales	10.88	10.72
%Net Income to Equity	37.23	40.16
Sales to Inventories	7.64	5.33
Working Capital	\$154,170,000	\$ 96,299,000
Current Ratio	4.36	3.63
Shareholders' Equity	\$162,729,000	\$104,417,000

Louisville Bedding Company

10400 Bunsen Way
Bluegrass Industrial Park
Louisville, Kentucky 40299
(502) 491-3370

Officers: James R. Hartsock, chairman; John M. Minihan, president & chief exec. officer; M.H. Schook, Charles Lohman, sr., v.p.'s.; Kenneth A. King, exec. v.p.; Frank Preston, Ronald A. Benson, v.p.'s.; Christian F. Rapp, v.p.-finance & secretary.

Directors: J.R. Hartsock, chairman; O.R. Bolton, N.E. Elsas, H.C. Forrester, J.M. Minihan, K.A. King, B.I. Moore, M.H. Schook, Bernard J. Arendshorst, C.J. Lohman, F.N. Preston.

Business Activities: Louisville Bedding Company is in the home furnishing and moving van pad businesses. It manufactures quilted mattress pads, fashion bedroom products (which include bedspreads, quilts, bed ruffles, decorative linens) and decorative table linens, kitchen accessories, and a line of moving van pads. These products are marketed nationwide through leading department stores and retail chains.

Trademarks and/or Brand Names: Reed Handcrafts, Quiltcraft, Olde Kentucky, Komfort Wrap, Stay Put.

Plant Location(s): Jeffersonton, Louisville & Munfordville, Ky.

Divisions:

Stay Put Van Pad
Reed Handcrafts

both at:

10400 Bunsen Way
Bluegrass Industrial Park
Louisville, Kentucky 40299

Transfer Agent(s):
Louisville Bedding Co.
Louisville, Kentucky

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	\$ 66,121,482	\$ 855,673
1984	66,488,123	657,143
1983	60,667,996	1,765,996
1982	50,123,144	1,105,689
1981	50,355,402	1,118,443
	No. of Com. Shares †	Earn. per Share ‡
1985	619,938	\$ 1.38
1984	619,903	1.06
1983	619,282	2.85
1982	620,122	1.79
1981	620,258	1.68

+ Adjusted to reflect stock dividends.

Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.60	—	—

1984	0.59	5%	—
1983	0.53	—	—
1982	0.52	10%	—
1981	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 10,303,777	\$ 16.62
1984	9,819,610	15.84
1983	9,517,202	15.37
1982	8,090,964	13.05
1981	7,286,718	11.75

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	\$ 66,121,482	\$ 66,488,123
Cost of sales	52,820,034	54,375,425
Expenses	10,203,557	9,675,811
Interest expense	1,326,059	1,345,788
Other expense (income)	54,759	(13,044)
Income before taxes	\$ 1,717,073	\$ 1,104,143
Income taxes	861,400	447,000
Net Income	\$ 855,673	\$ 657,143

* Included in Costs and Expenses, Depreciation and Amortization: \$712,482 in 1985 and \$692,149 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	\$ 397,447	\$ 516,004
Receiv., net	11,507,053	10,732,681
*Inventories	11,380,103	10,724,331
Inc. tax receiv.	—	253,800
Prepaid expenses	206,245	198,190
Current Assets	\$ 23,490,848	\$ 22,425,006
Cash value of life ins.	37,335	177,801
#Fixed assets	4,711,696	4,937,988
Defer. charges & other assets	21,996	23,596
Unexpended construc. fund	—	720,089
Total Assets	\$ 28,261,875	\$ 28,284,480

Liabilities

Notes payable	\$ 4,600,000	\$ 3,205,904
Long-term debt, curr.	785,894	739,279
Accts. payable	3,260,147	4,708,770
Accruals	1,086,430	1,162,993
Income taxes	388,727	—
Curr. Liabilities	\$ 10,121,198	\$ 9,816,946
Long-term debt	7,527,511	8,391,899
Deferred inc. taxes	299,200	243,200
Other payable	10,189	12,825
+ Common stock	619,938	619,938
Add paid-in capital	2,669,741	2,669,692
Retained earnings	7,014,098	6,530,388
Treasury stock	—	(408)
Total Liabilities & Shareholders' Equity	\$ 28,261,875	\$ 28,284,480

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income before Taxes to Sales	2.60	1.66
%Net Income to Sales	1.29	0.99
%Net Income to Equity	8.30	6.69
Sales to Inventories	5.81	6.20
Debt to Equity	1.25	1.26
Working Capital	\$13,369,650	\$12,608,060
Current Ratio	2.32	2.28
Shareholders' Equity	\$10,303,777	\$ 9,819,610

Manhattan Industries, Inc.

Manhattan Industries, Inc.

Corporate Offices:

1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500

Administrative Offices:

23 DeBoer Drive
Glen Rock, New Jersey 07452
(201) 447-2000

Officers: Laurence C. Leeds, Jr., chairman of the board & chief exec. officer; Nicholas P. DiPaolo, president & chief operating officer; Donald H. Kallman, vice chairman of the board, exec. v.p. & chairman of the executive committee; Samuel M. Miller, v.p., secretary-treasurer & controller; Bruce P. Fogwell, v.p.-advertising & public relations; Zachary Solomon, exec. v.p.

Directors: Roy M. Goodman, Thomas Hoving, Donald H. Kallman*, Laurence C. Leeds, Jr., Jack Lyons, Irving Matthews, Vera Neumann, Irving Silverman, Carl Spielvogel, Louis C. Stengel, Jr., Harvey N. Krueger, E. John Rosenwald, Jr., Nicholas P. DiPaolo*, Zachary Solomon*

* Member of the Executive Committee

Business Activities: Manufactures and retails men's and women's apparel. The Apparel Division consists of three companies manufacturing men's wear and two manufacturing women's wear. The Retail Division is composed of three regional groups with 92 stores. The Company's Licensing Division represents Manhattan Industries around the world with 32 Manhattan licensees operating in 45 countries. The major specialty store is Frost Brothers, Inc. in San Antonio, Texas, which operates 13 stores. The 27 stores operated by Manhattan Ward, Inc., located in Pennsylvania, New Jersey, Maryland and Delaware, sell men's clothing and furnishings; these stores are called The Hub. The 52 stores operated by Manhattan Factory Outlets sell apparel and domestic furnishings in the Northeast and South.

Trademarks and/or Brand Names: Manhattan, John Henry, Harness House, Liberty of London, Lady Manhattan, Vera, Lanvin, Lady Baynard, Baynard Sport, Sea Isle, Manhattan-Ward, Manhattan International, Frost Bros., Equipment by Henry Grethel, Anne Klein for New Aspects, Pierre, Perry Ellis, Kimberly, Balmain, Verasport, John Henry for Women, Equipment for Women, Perry Ellis Portfolio.

Divisions and Subsidiaries:

Apparel Division

Men's Wear

The Manhattan Shirt Company
1155 Avenue of the Americas
New York, New York 10036

Manufactures and sells men's shirts, sportshirts, sport knits, and pajamas. Manufacturing plant: Americus, Ga.

Manhattan Accessories Division
1155 Avenue of the Americas
New York, New York 10036

Manufactures and sells men's neckwear, scarves and mufflers, belts and small leather goods.

John Henry for Men
1155 Avenue of the Americas
New York, New York 10036

Markets men's shirts, sportshirts and accessories.

Morgan Shirt Corporation
Morgantown, West Virginia
Manufactures men's shirts.

Henry Grethel for Men
1155 Avenue of the Americas
New York, New York 10036

Markets designer sportswear, shirts and furnishings.

Women's Wear

M I Designer Group
Anne Klein for New Aspects
1411 Broadway
New York, New York 10018

Manufactures and sells women's blouses.

The Lady Manhattan Company
1407 Broadway
New York, New York 10018
(212) 265-3700

Manufactures and sells blouses. Mfg. Plant: Scranton, Pa.

The Vera Companies

1411 Broadway
New York, New York 10018

Manufactures and sells women's sportswear, dresses, scarves and table linens. Mfg. Plants: Puerto Rico and Grafton, W. Va.

John Henry for Women
1411 Broadway
New York, New York 10018

Markets women's shirts and tops.

Manhattan Dress Division
1400 Broadway
New York, New York 10018

Manufactures and markets John Henry, Peter Ashley, and Lanvin dresses.

Perry Ellis Division
575 Seventh Avenue
New York, New York 10018

Designs and markets women's and men's sportswear.

Henry Grethel for Women
1411 Broadway
New York, New York 10018

Markets women's shirts, tops and sportswear.

Retail Division:

Frost Bros., Inc.
217 East Houston Street
San Antonio, Texas 78205
(512) CA 6-7131

Manhattan Factory Outlet
15-01 Broadway
Fair Lawn, New Jersey 07410
(201) 797-8660

Manhattan Ward, Inc.
550 Brook Road
Conshohocken, Pennsylvania 19428
(215) 825-3700

Licensing Division

Manhattan Licensing
1155 Avenue of the Americas
New York, New York 10036

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: MHT

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1986	\$ 471,549	\$ (11,008)
1985	520,688	1,124
1984	432,992	11,547
1983	394,654	7,525
1982	377,772	9,715

	No. of Com. Shares ‡	Earn. per Share ‡
1986	4,847,000	\$ —
1985	4,707,000	0.21
1984	3,984,000	2.78
1983	3,685,000	1.85
1982	3,519,000	2.53

(Loss)

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1986	1985
Apparel manufacturing	\$ 315,833,000	\$ 366,083,000
Specialty store retailing	170,183,000	170,214,000

Inter-company sales	(14,467,000)	(15,609,000)
Total	\$ 471,549,000	\$ 520,688,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1986	\$0.25	4%	—
1985	0.30	4%	—
1984	0.30	4%	—
1983	0.30	4%	—
1982	0.30	4%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1986	\$ 70,987,000	\$ 14.65
1985	83,040,000	17.64
1984	72,721,000	18.25
1983	59,987,000	16.28
1982	53,337,000	15.16

‡ After allowing for convertible preferred stock at involuntary liquidation value.

Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account * (000's)

Year ended Jan. 31	1986	1985
Net sales	\$ 471,549	\$ 520,688
Cost of sales	341,105	374,682
Expenses	128,205	135,866
Royalty & other income	(6,509)	(5,020)
Interest expense	14,056	14,936
Bus. realign. charge	16,800	—
Inc. (loss) bef. taxes	\$ (22,108)	\$ 224
Tax (credit)	(11,100)	(900)
Net Income (Loss)	\$ (11,008)	\$ 1,124

* Included in Costs and Expenses, Depreciation and Amortization: \$7,521,000 in 1985 and \$5,979,000 in 1984.

Assets (000's)

As of Jan 31	1986	1985
Cash	\$ 2,130	\$ 4,810
Accts. receiv., net	48,662	49,921
*Inventories	104,118	129,252
Prepaid expenses	4,709	4,548
Current Assets	\$ 159,619	\$ 188,531
Investments & other assets	3,604	4,480
#Fixed assets	46,885	44,542
Prop. under cap. leases	3,430	3,903
Total Assets	\$ 213,538	\$ 241,456

Liabilities (000's)

Notes payable	\$ 31,788	\$ 33,094
Long-term debt, curr.	7,244	2,963
Accounts payable	43,004	43,021
Income taxes	—	4,042
Curr. Liabilities	\$ 82,036	\$ 83,120
Long-term debt	49,754	56,461
Cap. lease oblig.	3,518	4,020
Deferred inc. taxes	4,228	11,096
Other liabilities	2,453	3,157
+ Preferred stock	562	562
+ Common stock	4,857	4,647
Add. paid-in capital	47,926	45,218
Retained earnings	18,204	33,175

Total Liabilities & Shareholders' Equity	\$ 213,538	\$ 241,456
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* At lower of cost (average method of manufacturing operations and retail store operations) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	0.04
% Net Income to Sales	—	0.22
% Net Income to Equity	—	1.34
Sales to Inventories	4.53	4.03
Debt to Equity	1.29	1.15
Working Capital	\$77,583,000	\$105,411,000
Current Ratio	—	1.95
Shareholders' Equity	\$71,549,000	\$ 83,602,000

Manville Corporation

(Operating under Chapter 11 of the U.S. Bankruptcy Code)

Ken-Caryl Ranch
P.O. Box 5108
Denver, Colorado 80217
(303) 978-2000

Officers: John A. McKinney, chairman of the board & chief exec. officer; J.T. Hulce, president; W.T. Stephens, exec. v.p.; S.R. Heath, Jr., sr. v.p.-operations - Manville International Corp.; C.J. DeBiase, exec. v.p.-operations - Manville Building Materials Corp.; John P. Cashman, Charles L. Hite, G. Earle Parker, Harry W. Sherman, sr. v.p.'s; Chester J. Sulewski, sr., v.p.-production & technology; Chester E. Sheperly, sr. v.p.-administrative services; Eileen M. DeCoursey, v.p.-employee relations; John H. Swenson, v.p. research & development; John F. Knott, v.p. & controller; William A. Sells, Jr., v.p. & general mgr. fiber glass manufacturing; James F. Beasley, v.p. and treasurer; Robert A. Boardman, secretary; Richard B. VonWald, v.p. and corporate counsel; Roger H. Bengston, Edwin D. Cox, Curtis G. Linke, William B. Reitze, Fred E. Schlachter, Andrew L. Sokal, v.p.'s.

Directors: George C. Dillon, Robert L. Geddes, William C. Janss, William F. May, J.A. McKinney, George B. Munroe, John P. Schroeder, John A. Love, Charles J. Zwick, Aaron A. Gold, J.T. Hulce, James N. Land, Jr., G. Earle Parker, Gene E. Phillips, Randal D. Smith, William D. Tucker, Jr.

Business Activities: One of the largest producers of fiber glass products and beverage carrier board and cartons, and suppliers of diatomite, a primary filtering agent and filler used by the beverage, pharmaceutical, paint, and food processing industries. The Fiber Glass Products Group produces insulation fiber and continuous strand fiber glass filament. End products manufactured include a wide range of thermal and acoustical insulations, fiber glass specialty and roofing mats, and glass fibers and reinforcements, for use by a variety of industries.

Trademarks and/or Brand Names: BestPack™, FastPak™, Mobinsul®, Rich-R™, Spintex™, Suspend-R™, Win-R™, Dura Foil®, Dura Glass™, Glass Thane™, Microlith®.

U.S. Plant Location(s): Fort Worth, Nacogdoches & Cleburne, Tx.; Bakersfield, Lompac, Pittsburg, Corona & Wilfords, Ca.; Defiance, Cincinnati, Newark, Pataskala, Springfield, Utica & Waterville, Oh.; McPherson, Ks.; Parkersburg, W.V.; Berlin, Edison, Penbryn, N.J.; Richmond, In.; Savannah & Winder, Ga.; West Monroe & Joyce, La.; Natchez & Clinton, Mis.; Richmond, Edinburg, Va.; Etowah & Memphis, Tenn.; Waukegan, Rockdale & Kankakee, Ill.; Huttig, Arkansas; Lewiston, Maine; North Billerica, Massachusetts; Nashua, New Hampshire; Laurinberg & Charlotte, North Carolina; Leola, Zelenople, Pennsylvania; Marshfield, Madison, Wisconsin; No Agua, N.M.; Antonito, Colo.; Tucson, Ariz.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Midwest*, Pacific*, Boston*, Cincinnati*, Philadelphia*.

* Unlisted trading privileges.

Ticker Symbol: MAN

Sales and Earnings

	Net Sales +	Net Income
1985	\$1,880,048,000	\$ (45,067,000)
1984	1,814,184,000	77,227,000
1983	1,729,465,000	67,194,000
1982	1,684,588,000	(97,584,000)
1981	1,895,247,000	60,320,000

(Less)

+ Of continuing operations only.

Based on the average number of shares outstanding.

Revenues By Line of Business (000's)

	1985	1984
Fiber glass prods.	\$ 802,675	\$ 781,316
Forest prods.	458,537	450,849
Specialty prods.	673,831	645,138
Corp. revenues	43,465	38,201
Interseg. sales	(36,719)	(42,029)
Total	\$ 1,941,789	\$ 1,873,475

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.68	—	—
1981	1.92	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 878,226,000	\$ 36.59
1984	896,027,000	37.33
1983	830,864,000	34.62
1982	765,239,000	31.90
1981	902,484,000	38.36

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 1,880,048	\$ 1,814,184
Other income	61,741	59,291
Total Income	\$ 1,941,789	\$ 1,873,475
Cost of sales	1,472,766	1,399,884
Expenses	281,346	273,521
Oper. profit	\$ 187,677	\$ 200,070
Interest expense	22,627	21,155
Asbestos health costs	51,571	26,066
Chap. XI costs	9,471	17,255
Loss (gain) on dispos. of assets	151,225	267
Inc. (loss) bef. taxes	\$ (47,217)	\$ 135,327
Income taxes (credit)	(2,150)	58,100
Net Income (Loss)	\$ (45,067)	\$ 77,227

* Included in Costs and Expenses, Depreciation and Depletion: \$84,306,000 in 1985 and \$79,372,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 6,588	\$ 9,309
Marketable securities	313,762	276,061

Accts. receiv., net	313,812	285,241
*Inventories	153,383	164,398
Prepaid expenses	29,498	17,288

Current Assets	\$ 817,043	\$ 752,297
#Fixed assets	1,402,478	1,404,845
Defer. charges & other assets	173,726	181,992
Total Assets	\$ 2,393,247	\$ 2,339,134

Liabilities (000's)

Short-term debt	\$ 26,136	\$ 20,188
Accts. payable	84,429	102,097
Accruals	69,129	35,108
Accrued compen. Taxes	94,195	80,643
	12,132	17,720
Curr. Liabilities	\$ 286,021	\$ 255,756
Liab. subj. to chap. XI	577,913	574,432
Long-term debt	91,730	83,567
Other liabilities	114,777	66,720
Deferred inc. taxes	143,780	161,832
+ Preferred stock	300,800	300,800
+ + Common stock	60,172	60,172
Add. paid-in capital	178,400	178,400
Retained earnings	667,469	712,538
Cum. currency trans. adj.	(25,731)	(52,989)
Treasury stock	(2,084)	(2,094)
Total Liabilities & Shareholders' Equity	\$ 2,393,247	\$ 2,339,134

* At lower of cost (LIFO) or market.

Less accumulated depreciation and depletion.

+ \$1 par value.

+ + \$2.50 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	7.46
% Net Income to Sales	—	4.26
% Net Income to Equity	—	8.62
Sales to Inventories	12.26	11.04
Debt to Equity	0.13	0.12
Working Capital	\$531,022,000	\$496,541,000
Current Ratio	2.86	2.94
Shareholders' Equity	\$878,226,000	\$896,027,000

The Marcade Group Inc.

(formerly Unishops, Inc.)

21 Caven Point Avenue
Jersey City, New Jersey 07305
(201) 433-0100

Officers: Herbert I. Wexler, chairman of the board & president; John Kuehn, jr., v.p.-finance & adm.; Herman S. Greitzer, vice president, secretary & general counsel; Lawrence Brustein, v.p. & treasurer.

Directors: Mark N. Kaplan, Herman S. Greitzer, John Kuehn, Mitchell W. Rabbino, Herbert I. Wexler, Joseph S. Scher.

Business Activities: Manufactures a wide variety of women's clothing.

Divisions and Subsidiaries:

Marlene Industries Corporation
1372 Broadway
New York, New York 10018

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church St. Station
New York, N.Y. 10249

Stock Exchange(s): New York

Ticker Symbol: MAR

The Marcade Group Inc.

Sales and Earnings

	Revenues +	Net Income #
1986*	\$ 69,084,000	\$ (10,511,000)
1985	71,383,000	(21,934,000)
1984	140,217,000	(8,838,000)
1983	154,529,000	(8,186,000)
1982	156,526,000	4,652,000

	No. of Com. Shares	Earn. per Share †
1986*	9,274,224	\$ —
1985	9,274,824	—
1984	9,397,545	—
1983	9,349,430	—
1982	9,314,567	0.49

(Loss)

* 53 weeks.

+ Of continuing operations only.

‡ Based on the weighted average number of common shares outstanding.

Including extraordinary gain of \$491,000 (\$0.05 per share) in 1982.

Common Stock Equity

	Total Equity	Equity Per Share
1986	\$ (14,922,000)	\$ —
1985	(4,411,000)	—
1984	17,748,000	1.89
1983	26,447,000	2.83
1982	34,584,000	3.71

(Deficiency)

Income Account (000's)

Year ended	2:1-86 (53 weeks)	1:26-85
Revenues	\$ 69,084	\$ 71,383
Cost of sales	58,012	68,460
Expenses	15,715	15,515
Interest expense	3,479	5,143
Loss (gain) on dispos. of units	(1,453)	1,193
Loss-cont. oper.	\$ (6,669,000)	\$ (18,928)
Loss-discont. oper.	(3,842,000)	(3,006)
Net Loss	\$ (10,511,000)	\$ (21,934)

	Assets (000's)	
As of	2:1-86	1:26-85
Cash	\$ 948	\$ 2,791
Assets to be disposed	1,500	8,077
Receivables	6,212	8,286
*Inventories	13,860	20,224
Prepaid expenses	734	1,471
Current Assets	\$ 23,254	\$ 40,849
#Fixed assets	2,656	3,351
Leasehold costs, rent, depts. & other assets	1,073	1,667
Total Assets	\$ 26,983	\$ 45,867

Liabilities

Notes payable	\$ 9,350	\$ 9,350
Long-term debt	21,484	24,980
Accts. payable	1,815	5,307
Accruals	5,288	5,532
Est. costs of dispos.	3,443	4,473
Curr. Liabilities	\$ 41,380	\$ 49,662
Long-term debt	525	616
+ Common stock	954	954
Add. paid-in capital	4,005	4,005
Retained earnings (deficit)	(18,963)	(8,452)
Treasury stock	(918)	(918)
Total Liabilities & Shareholders' Equity	\$ 26,983	\$ 45,867

* At lower of cost or market by the retail method; invg. inventories at lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.10 par value.

Martin Processing, Inc.

P.O. Box 5068
Martinsville Virginia 24115
(703) 629-1711

Officers: William F. Franck, chairman; R. Keith Smith, president; Donald C. Martin, exec. v.p.; Stephen A. Briley, treasurer; Richard G. Tilley, Ronald W. Martin, Albert K. Scriven, Jr., Alan Taylor, v.p.'s; Martha T. Wagner, secretary.

Directors: William F. Franck, chairman; R. Keith Smith, Salvatore S. Hermes, Walter B. Guinan, Charles A. Hayes, Donald C. Martin.

Business Activities: Engaged in twisting, plying, heat setting and solid or multiple color dyeing of nylon yarns for carpeting. Its principal products are solid dyed and multi-colored hat-set nylon and polyester yarns for the manufacture of tufted, broadloom and woven carpeting; twisted, heat-set undyed yarns for piece-dyeing of carpets. Supplies dyed tow, top, colored worsted spun and novelty yarns for the apparel and home furnishings trade. Also dyed, specially treated polyester film for color control, decorative and other applications.

Trademarks and/or Brand Names: Lumar, Marduk, Sunshine.

Plant Location(s): Martinsville & Rocky Mount, Virginia.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: MPI

Sales and Earnings

	Net Sales	Net Income ‡
1985	\$ 51,035,000	\$ 1,273,000
1984	37,771,000	1,462,000
1983	32,305,000	1,108,000
1982	40,518,000	(9,151,000)
1981	68,388,000	(2,103,000)

	No. of Com. Shares †	Earn. per Share ‡
1985	1,655,000	\$ 1.46
1984	1,655,000	1.70
1983	1,655,000	1.01
1982	1,655,000	—
1981	1,655,000	—

(Loss)

‡ Including extraordinary credits of \$1,142,000 (\$0.69 per share) in 1985, \$1,350,000 (\$0.82 per share) in 1984 and \$559,000 (\$0.34 per share) in 1983.

‡ Based on average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 28,435,000	\$ 17.18
1984	26,020,000	15.73
1983	23,208,000	14.03
1982	21,541,000	13.02
1981	30,692,000	18.55

Income Account * (000's)

Year ended	1985	1984
Dec. 31		
Net sales	\$ 51,035	\$ 37,771

Cost of sales	39,402	30,097
Other revenues	(357)	(208)
Expenses	7,250	4,690
Interest expense	688	1,031
Interest income	—	(920)
Prov. for loss	1,329	—
Minority interest in inc. of subsid.	225	201

Income before taxes	\$ 2,498	\$ 2,880
Income taxes	1,225	1,418

Net Income	\$ 1,273	\$ 1,462
Extraord. gain	1,142	1,350

Net Income & extraord. gain	\$ 2,415	\$ 2,812
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* Included in Costs and Expenses, Depreciation: \$2,649,000 in 1985 and \$2,880,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 247	\$ 217
Accts. receiv., net	5,335	6,738
*Inventories	12,178	8,444
Prepaid expenses	499	268

Current Assets	\$ 18,259	\$ 15,667
Unexpend. bond proceeds	—	2,111
#Fixed assets	22,214	22,501
Intangibles	1,293	1,171
Deposits & misc.	889	495

Total Assets	\$ 42,655	\$ 41,945
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Liabilities

Notes payable	\$ 273	\$ 403
Long-term debt, curr.	1,409	2,678
Accts. payable	4,866	2,977
Customer deposits	86	175
Accruals	759	846
Income taxes	255	329

Curr. Liabilities	\$ 7,648	\$ 7,408
Long-term debt	5,102	7,242
Retire. benefits	712	780
Minority interest	758	495
+ Common stock	4,964	4,964
Add. paid-in capital	1,957	1,957
Retained earnings	21,514	19,099

Total Liabilities & Shareholders' Equity	\$ 42,655	\$ 41,945
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* Yarn valued at (LIFO) cost, which was less than market; other components at lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$3 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.89	7.62
%Net Income to Sales	2.49	3.87
%Net Income to Equity	4.48	5.62
Sales to Inventories	4.19	4.47
Debt to Equity	0.24	0.40
Working Capital	\$10,611,000	\$ 8,259,000
Current Ratio	52.39	2.11
Shareholders' Equity	\$28,435,000	\$26,020,000

Mohasco Corporation

57 Lyon Street
Amsterdam, New York 12010
(518) 841-2211

Officers: Herbert J. Broner, chairman of the board, president & chief executive officer; Charles M. Egan, exec. v.p.-furniture operations; David L. Kolb, exec. v.p.-carpet operations; Robert W. Overholtzer, v.p.-finance & chief financial officer; Joseph P. Lamb, v.p.-human resources; Hector D. Blair, v.p.; Albert F. Smith, treasurer; Joseph P. Flanagan, asst. secretary and gen. counsel.

Monsanto Company

Directors: Robert G. Loewy, Hester Turner*, Stuart D. Watson*, Everett C. Reed*, Charlie W. Jones, Herbert J. Broner*, Larry W. McCurdy*, Allan R. Dragone

* Member of the Executive Committee.

Business Activities: Engaged in the interior furnishings industry, with broad interests in carpeting, furniture, distribution and furniture rentals. Its products include: carpets by Alexander Smith, Firth and Mohawk, furniture by Barcalounger, Chromcraft, Avon, Monarch, Peters-Revington, Stratford, Strato-lounger, Super Sagless and Trend Line

Carpet Trademarks and/or Brand Names: Alexander Smith, Mohawk, Firth, Mohasco

Carpet Plant Location(s): Dillon, Liberty & Bennettsville, S.C.; Greenville, Ms.; Dublin, Ga.; Mexico

Divisions and Subsidiaries:

Carpet Operations:

Alexander Smith
Firth
Mohawk
Alfombras Mohawk de Mexico, S.A.
Tapetes Luxor, S.A.

Furniture Operations:

Chromcraft Corporation
Mississippi

Mohasco Upholstered Furniture Corporation

Peters-Revington Corporation
Delphi, Indiana

Super Sagless Corporation
Tupelo, Mississippi

Rental Operations:

Cort Furniture Rental Corporation

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street, 8th floor
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: MOH

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)
1985	\$ 760,100	\$ 17,100
1984	716,300	17,600
1983	643,800	13,100
1982	559,600	(7,000)
1981	640,300	15,200
	No. of Com Shares	Earn. per Share ‡
1985	6,062,650	\$ 2.62
1984	6,739,437	2.60
1983	6,727,036	1.96
1982	6,579,972	—
1981	6,571,503	2.30

(Loss)
+ Includes other revenues.

† Including extraordinary gain of \$1,368,000 in 1982

‡ Based on the average number of common shares outstanding

Revenues By Line of Business

	1985	1984
Carpet	\$ 320,252	\$ 310,075
Furniture	368,229	346,032
Rental	71,655	60,143
Total	\$ 760,136	\$ 716,250

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.44	—	—

1984	0.36	—
1983	0.16	—
1982	—	—
1981	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 212,500,000	\$ 35.05
1984	219,700,000	32.60
1983	204,400,000	30.38
1982	190,800,000	28.98
1981	198,300,000	30.16

Income Account *

(000's)

Year ended Dec. 31	1985	1984
Net sales & other revenues	\$ 760,136	\$ 716,250
Cost of sales	566,989	536,846
Expenses	150,303	142,027
Oper. profit	\$ 42,844	\$ 37,377
Interest expense	10,460	9,818
Other expense (income)	1,114	(5,148)
Income bef. taxes	\$ 31,270	\$ 32,707
Income taxes	14,213	15,150
Net Income	\$ 17,057	\$ 17,557

* Included in Costs and Expenses, Depreciation and Amortization: \$21,157,000 in 1985 and \$19,507,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash & cash equiv.	\$ 4,516	\$ 7,513
Accts. & notes receiv., net	122,218	110,876
*Inventories	96,667	99,300
Prepaid expenses	15,674	14,707
Rental furniture	10,141	8,237
Current Assets	\$ 249,216	\$ 240,633
Rental furniture	36,810	29,898
#Fixed assets	104,422	106,233
Other assets	8,809	3,284
Total Assets	\$ 399,257	\$ 380,048

Liabilities (000's)

Notes payable	\$ 30,824	\$ 6,711
Long-term debt, curr.	5,522	6,235
Accts. payable	37,408	39,416
Accruals	28,347	29,164
Income taxes	800	2,550
Curr. Liabilities	\$ 102,901	\$ 84,076
Long-term debt	61,262	57,581
Other liabilities	13,405	8,835
Deferred inc. taxes	8,376	8,285
+ Redeem. pref. stock	—	—
3 1/2% series	252	670
4 20% series	544	892
+ Common stock	34,965	34,207
Add. paid-in capital	35,938	34,300
Retained earnings	166,997	152,797
Treasury stock	(28,383)	(1,595)
Total Liabilities & Shareholders' Equity	\$ 399,257	\$ 380,048

* At cost (LIFO)

Less accumulated depreciation and amortization

+ \$100 par value, cumulative

+ + \$5 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.11	4.57
% Net Income to Sales	2.24	2.45
% Net Income to Equity	8.03	7.99

Sales to Inventories	7.86	7.21
Debt to Equity	0.46	0.32
Working Capital	\$146,315,000	\$156,557,000
Current Ratio	2.42	2.86
Shareholders' Equity	\$212,517,000	\$219,709,000

Monsanto Company

800 N. Lindbergh Boulevard
St. Louis, Missouri 63167
(314) 694-1000

Officers: Richard J. Mahoney, chairman & chief executive officer; Francis J. Fitzgerald, president & chief operating officer; Earle H. Harbison, Jr., vice chairman & exec. v.p.; Nicholas L. Reding, exec. v.p.; Robert L. Berra, Howard A. Schneiderman, Harold J. Corbett, sr. v.p.'s; Thomas L. Gossage, Robert G. Potter, Donald H. Swan, group v.p.'s; Francis A. Stroble, sr. v.p. & chief financial officer; Richard Duesenberg, sr. v.p., secretary & general counsel; Stewart D. Daniels, Earl N. Brasfield, John F. Hussey, David L. Sliney, Thomas H. Lafferre, James H. Senger, Leonard A. Cohn, Martin J. Kallen, S. Allen Heininger, vice presidents; Lawrence B. Skatoff, v.p. & controller; B. Clark Harris, treasurer.

Directors: Richard J. Mahoney*, chairman; John W. Hanley*, Donald C. Carroll, C.R. Dahl, Richard I. Fricke, Jean Mayer, Stansfield Turner, Howard M. Love, Edward L. Palmer, Buck Mickel, Margaret Bush Wilson*, John B. Slaughter, Francis J. Fitzgerald, Earle M. Harbison, Jr., John S. Reed, William D. Ruckelshaus.

* Member of the Executive Committee

Business Activities: Engaged primarily in the manufacture and sale of a diversified line of chemical and agricultural products, prescription pharmaceuticals, low calorie sweeteners, industrial process control equipment, man-made fibers, and electronic materials. Textile products include nylon staple fibers for carpets, Acrilan acrylic fibers used in the manufacture of socks, sweatsuits, upholstery, craft yarn and sweaters, and nylon filament with a variety of industrial and carpet-end uses.

Textile Trademarks and/or Brand Names: A-Acrilan, Acrilan, AstroTurf, Bi-Loft, Cerex, Chemstrand, Elura, SEF, Pa-Quel, So-Lara, Fi-Lara, Ultron, Wear-Dated, Remember.

Operating Units:

Monsanto Agricultural Company
Monsanto Chemicals Co.
Monsanto Electronic Materials Company
Fisher Controls International, Inc.
G.D. Searle & Co.
The NutraSweet Company

Subsidiaries & Affiliates:

Hybritech Seed International Inc.
Basic genetic research to produce hybridized wheat.
Monsanto Enviro-Chem Systems, Inc.
Develops and markets engineered chemical facilities and pollution abatement systems.
Monsanto International Finance Company
Obtains funds abroad to help finance overseas expansion.
Monsanto Research Corporation
Conducts research for government agencies and for Monsanto; produces nuclear sources; operates a government-owned laboratory.

Monsanto Canada Ltd.
Manufactures chemicals and plastics.

Monsanto Argentina S.A.I.C.
Manufactures plastics and chemicals.

Industrias Resistol S.A. (39% interest) - Mexico
Produces chemicals and plastics.

Monsanto Europe S.A. - Belgium
Manufactures plastics and chemicals in Belgium and conducts marketing activities throughout Europe.

Industrias Monsanto S.A. - Brazil
Manufactures rubber chemicals and phosphates and process control equipment.

Monsanto Company

Societe Monsanto S.A. - France
Manufactures plastics.

Monsanto (Swiss) S.A.
Markets Monsanto products throughout Switzerland

Monsanto (Deutschland) GmbH - West Germany
Markets Monsanto products.

Monsanto Australia Ltd.
Manufactures chemicals and plastics. Affiliate companies produce fluorocarbons and Styrene monomer, synthetic latex products.

Mitsubishi Monsanto Chemical Company (49% interest) - Japan
Manufactures chemicals and plastics.

Monsanto Electronics Sendirian Berhad Malaysia
Silicon slicing and polishing.

Korag Company Limited (50% interest)
Manufactures agricultural chemicals.

Radiation Dynamics, Inc.
Melville, New York

Involved in the field of electron beam processing, manufactures industrial process accelerators and medical radiation processing equipment.

Acquisition(s):

G.D. Searle & Co.
Manufactures and markets prescription pharmaceuticals and aspartame-based low-calorie sweetener products

Witfield Division of Witco Chemical Company
Carson, California
Manufactures detergent chemicals.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Amsterdam, Brussels, Frankfurt, Geneva, London, Paris, Zurich

Ticker Symbol: MTC

Sales and Earnings

	Net Sales (000's)	Net Income ± (000's)
1985	\$ 6,747,000	\$ (98,000)
1984	6,691,000	439,000
1983	6,299,000	402,000
1982	6,325,000	352,000
1981	6,948,000	445,000

	No. of Com. Shares †	Earn. per Share ±
1985	76,752,553	\$ —
1984	78,281,026	5.42
1983	81,842,592	4.89
1982	81,195,222	4.39
1981	78,936,568	5.75

(Loss)

± Including extraordinary gains of \$30,000,000 (\$0.40 per share) in 1985, \$33,000,000 (\$0.41 per share) in 1983 and \$23,000,000 (\$0.29 per share) in 1982.

† Adjusted to reflect stock split.

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Agricultural prods.	\$ 1,152,000	\$ 1,338,000
Chemicals	4,051,000	4,360,000
Electronic materials	137,000	220,000
Fisher controls	652,000	550,000
NutraSweet	317,000	—
Pharmaceuticals	262,000	15,000
Oil & gas	172,000	203,000
Corp. items & eliminations	4,000	5,000
Total	\$ 6,747,000	\$ 6,691,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$2.45	—	—
1984	2.25	—	2-for-1
1983	2.075	—	—
1982	1.975	—	—
1981	1.875	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	\$ 3,407,000	\$ 44.39
1984	3,634,000	46.42
1983	3,677,000	44.93
1982	3,490,000	42.98
1981	3,322,962	42.10

† Adjusted to reflect stock split.

± After allowing for preferred stock at voluntary liquidation value of \$73 per share.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 6,747,000	\$ 6,691,000
Cost of sales	4,841,000	4,839,000
Expenses	1,555,000	1,175,000
Oper. profit	\$ 351,000	\$ 677,000
Other income	86,000	130,000
Total	\$ 437,000	\$ 807,000
Interest expense	178,000	100,000
Restruct. cost	557,000	—
Income (loss) bef. taxes	\$ (298,000)	\$ 707,000
Income taxes (credit)	(170,000)	268,000
Net Income (Loss)	\$ (128,000)	\$ 439,000
Extraord. gain	30,000	—
Net Income (Loss) & Extraord. gain	\$ (98,000)	\$ 439,000

* Included in Costs and Expenses, Depreciation, Obsolescence and Depletion: \$599,000 in 1985 and \$503,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	\$ 195,000	\$ 149,000
Marketable securities	98,000	310,000
Receiv., net	1,887,000	1,299,000
*Inventories	1,097,000	839,000
Curr. Assets	\$ 3,277,000	\$ 2,597,000
Investments & other assets	2,566,000	402,000
#Fixed assets	3,034,000	3,374,000
Total Assets	\$ 8,877,000	\$ 6,373,000

Liabilities

	1985	1984
Accounts payable	\$ 522,000	\$ 497,000
Wages & commissions	129,000	110,000
Inc. & other taxes	348,000	69,000
Misc. accruals	675,000	249,000
Short-term debt	704,000	277,000
Curr. Liabilities	\$ 2,378,000	\$ 1,202,000
Long-term debt	2,087,000	824,000
Other liabilities	421,000	52,000
Deferred inc. taxes	584,000	661,000
+ Common stock	164,000	164,000
Add. paid-in capital	854,000	855,000
Accum. curr. adjust.	(191,000)	(319,000)
Retained earnings	2,824,000	3,110,000
Treasury stock	(244,000)	(176,000)

Total Liabilities & Shareholders' Equity \$ 8,877,000 \$ 6,373,000

* At lower of cost (domestic inventories at LIFO, all others at FIFO) or market.

Less accumulated depreciation and depletion, etc.
+ \$2 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.84	10.57
%Net Income to Sales	1.90	6.56
%Net Income to Equity	3.76	12.08
Sales to Inventories	6.15	7.97
Debt to Equity	0.61	0.23
Working Capital	\$ 899,000,000	\$1,395,000,000
Current Ratio	1.38	2.16
Shareholders' Equity	\$3,407,000,000	\$3,634,000,000

Movie Star, Inc.

392 Fifth Avenue
New York, New York 10018
(212) 563-3000

Officers: Irwin Goldberger, chairman & president. Betty Kravosky, Frank D'Amato, Gary Goldberger, Michael Goldberger, Ted Zittel, v.p.'s. Enrico Varani, v.p. sales; Russell Ladner, v.p. mfg.; Neil S. Rothfeld, exec. v.p.; treasurer & secretary; I. Robert Harris, asst. secretary.

Directors: Joseph C. Fox, Irwin Goldberger, Mollie Kaufman, Irwin J. Gusman, Neil S. Rothfeld, I. Robert Harris, Saul S. Silverman.

Business Activities: Designs, manufactures and markets lingerie and loungewear, producing daywear, sleepwear and loungewear under names Movie Star (lingerie), Movie Star Loungewear, Cinema Etoile, and Cine Star. The Irwin B. Schwabe division manufactures men's work and leisure shirts which are principally sold to Sears Roebuck & Co. The Kratex division manufactures tailored women's suits and blouses principally to J.C. Penney & Co. The M & D sportswear division manufactures activewear and sportswear, sold under the trade names Dandelion, Morning Glory, and other private labels.

Trademarks and/or Brand Names: Movie Star, Movie Star Loungewear, Movie Starlet, Cinema Etoile, Cine Star, Betty Boop, Dandelion, Morning Glory.

Plant Locations: Poplarville, Purvis, Magnolia, Ellsville, Sumrall, Bude, Lumberton, Crystal Springs, Wiggins, New Albany, Ackerman, Sardis, Hickory Flat, Padon, Ecru, Miss. San Sebastian, Puerto Rico.

Divisions:

Irwin B. Schwabe Division
Kratex Division
M&D Sportswear Division
Cinema Etoile Division
Cine Star Division

Transfer Agent(s):

The Chase Manhattan Bank
New York, New York

Stock Exchange(s): American

Ticker Symbol: MVSA

Sales and Earnings

	Net Sales	Net Income
1985	\$ 77,001,000	\$ 774,000
1984	75,717,000	1,545,000
1983	63,347,000	636,000
1982	66,150,000	1,154,000
1981	43,419,000	1,252,000
	No. of Com. Shares †	Earn. per Share ±
1985	834,600	\$ 0.93
1984	834,600	1.85
1983	834,600	0.76
1982	834,600	1.38
1981	834,600	1.50

‡ Based on the average number of Class A and Class B common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985 Class A	\$0.45	—	—
1984 Class A	0.60	—	—
1983 Class A	0.60	—	—
1982 Class A	0.60	—	—
1981 Class A	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 19,854,000	\$ 23.79
1984	19,456,000	23.31
1983	18,412,000	22.06
1982	18,277,000	21.90
1981	17,624,000	21.12

‡ Based on the average number of Class A and Class B common shares and common share equivalents outstanding.

Income Account *

Year ended	6:185	6:284
Net sales	\$ 77,001,000	\$ 75,717,000
Cost of sales	59,610,000	57,912,000
Expenses	15,822,000	14,515,000
Interest expense	1,972,000	1,377,000
Other income	(1,273,000)	(345,000)
Income before taxes	\$ 870,000	\$ 2,258,000
Income taxes	96,000	713,000
Net Income	\$ 774,000	\$ 1,545,000

* Included in Costs and Expenses, Depreciation and Amortization: \$828,000 in 1985 and \$781,000 in 1984.

Assets

As of	6:185	6:284
Cash	\$ 2,381,000	\$ 1,669,000
Accts. receiv., net	7,681,000	7,242,000
Inventories	27,476,000	27,477,000
Prepaid expenses	1,989,000	1,772,000
Current Assets	\$ 39,527,000	\$ 38,160,000
#Fixed assets	7,310,000	6,380,000
Sundry assets	888,000	438,000
Total Assets	\$ 47,725,000	\$ 44,978,000

Liabilities

Notes payable	\$ 16,600,000	\$ 12,400,000
Long-term debt, curr.	1,275,000	1,277,000
Accts. payable	5,786,000	6,828,000
Accruals	2,158,000	2,086,000
Curr. Liabilities	\$ 25,819,000	\$ 22,591,000
Long-term debt	1,562,000	2,280,000
Deferred compensation	490,000	651,000
+ Common stock:		
Class A	449,000	449,000
Add. paid-in capital	1,537,000	1,537,000
Retained earnings	18,479,000	18,081,000
Treasury stock	(611,000)	(611,000)
Total Liabilities & Shareholders' Equity	\$ 47,725,000	\$ 44,978,000

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.13	2.98
%Net Income to Sales	1.01	2.04
%Net Income to Equity	3.90	7.94
Sales to Inventories	2.80	2.76
Debt to Equity	0.98	0.82
Working Capital	\$13,708,000	\$15,569,000
Current Ratio	1.53	1.69
Shareholders' Equity	\$19,854,000	\$19,456,000

Munsingwear, Inc.

724 North First Street
Minneapolis, Minnesota 55401
(612) 340-4700

Officers: George K. Hansen, president & chief executive officer; Glen E. Pitts, v.p. & president, Men's Apparel Division; Robert G. Higginbotham, v.p. administration & secretary; Michael Kagan, v.p. finance; Thomas W. Moore, Jr., v.p. & president-Vassarette Division; Garnett D. Elliott, Jr., v.p. & president-Form-O-Uth, Inc.; Peter W. Lilienthal, asst. secretary & treasurer.

Directors: H. William Lurton*, George K. Hansen, Lawrence L. Horsch*, Gerald E. Magnuson*.

*Member of the Executive Committee.

Business Activities: Engaged in the production and sale of loungewear, sleepwear, underwear and sportswear for men, boys and women.

Trademarks and/or Brand Names: Munsingwear, Vassarette, Grand Slam, Penguin, Penguin Design, Forge, Munsingwear Slammers, Cotton Classics, Quintessence, Satin Kiss, CuddleSoft, Elustra, Sheer Beginnings, Frankly Feminine, Secret Self, Band-Abouts, Satinessence, Kangaroo, For You the Contemporary Vassarette, Translucence, Underneath It All, Crepelon, Swimobodies, Second Glance, Velvour, The Feelbetter Fit, Match.

Plant Location(s): Memphis, Tenn.; Athens & Paris, Tex.; Guin & Hamilton, Ala.; New Albany, Miss.; Minneapolis, Minn.; Hominy, Okla.; Ashland, Wis.; Fairmont & Red Springs, N.C.; Matehuala, La Paz & Reynosa, Mexico; San Salvador, El Salvador.

Divisions:

Vassarette Division
Minneapolis, Minnesota
Products include lingerie, sleepwear, robes, loungewear, bras, girdles, swimsuits and Vassarette juniors.

Men's Apparel Division

Minneapolis, Minnesota
Products include underwear, sleepwear, loungewear, robes, golf shirts, sport shirts, hosiery, jackets, slacks, tenniswear and sweaters.

Subsidiaries:

South Robeson Mills, Inc.
Fairmont, North Carolina
Products include men's, boys' and women's knit sport shirts.

Acquisition(s):

Form-O-Uth, Inc.
McAllen, Texas
Intimate apparel manufacturer

Transfer Agent(s):

First Trust Company, Inc.
120 South Sixth Street
Minneapolis, Minnesota 55402

Stock Exchange(s):

New York

Ticker Symbol: MUN

Sales and Earnings

	Net Sales +	Net Income ‡
1985	\$ 114,247,000	\$ 3,020,000
1984	92,645,000	3,993,000
1983	93,094,000	2,713,000
1982	103,069,000	(14,817,000)
1981	131,168,000	(6,251,000)
	No. of Com. Shares ‡	Earn per Share #‡
1985	2,569,486	\$ 1.12
1984	2,533,544	1.04
1983	3,796,396	0.71
1982	3,789,732	—
1981	3,789,732	—

(Loss)

+ Of continuing operations only.

‡ Including extraordinary gains of \$529,000 (\$0.20 per share) in 1985, \$3,898,000 (\$1.02 per share) in 1984 and \$1,042,000 (\$0.27 per share) in 1983.

† Adjusted to reflect stock split.

Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	2-for-1†

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 31,435,000	\$ 12.23
1984	28,215,000	11.14
1983	28,182,000	7.42
1982	25,429,000	6.71
1981	40,246,000	10.62

‡ Adjusted to reflect stock split.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 114,247	\$ 92,645
Cost of sales	84,079	68,761
Expenses	30,108	24,394
Royalty income	(650)	(2,775)
Interest expense	1,616	1,256
Non-recurr. losses (gains)	126	(20)
Gain on sale of facil.	(3,590)	(14)
Interest income	(147)	(609)
Litigation settlements	—	1,100
Income before taxes	\$ 2,705	\$ 552
Income taxes	365	457
Net Income	\$ 2,340	\$ 95
Extraord. gain	529	3,898
Cum. effect of acctg. chnge.	151	—
Net Income & extraord. gain	\$ 3,020	\$ 3,993

* Included in Costs and Expenses, Depreciation and Amortization: \$1,693,000 in 1985 and \$1,712,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 1,224	\$ 6,886
Receiv., net	17,460	11,819
*Inventories	22,973	16,176
Prepaid expenses	2,289	1,462
Current Assets	\$ 43,946	\$ 36,343
#Fixed assets	10,944	10,277
Other assets	1,991	1,564
Total Assets	\$ 56,881	\$ 48,184

Liabilities (000's)

Short-term borrowings	\$ 2,600	\$ —
Long-term debt, curr.	2,860	3,319
Accts. payable	3,238	1,675
Accruals	5,744	3,863
Curr. Liabilities	\$ 14,442	\$ 8,857
Long-term debt	10,155	9,565
Deferred income	849	1,547
+ Common stock	4,039	10,008
Add. paid-in capital	18,087	11,918
Retained earnings	16,124	13,104
Treasury stock	(6,815)	(6,815)
Total Liabilities & Shareholders' Equity	\$ 56,881	\$ 48,184

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$5 par value.

Munsingwear, Inc.

Statistical Summary

%Income bef. Taxes to Sales	2.37	0.60
%Net Income to Sales	2.05	0.10
%Net Income to Equity	7.44	0.34
Sales to Inventories	4.97	5.73
Debt to Equity	0.50	0.46
Working Capital	\$29,504,000	\$27,486,000
Current Ratio	3.04	4.10
Shareholders' Equity	\$31,435,000	\$28,215,000

Common Stock Equity

	Total Equity	Equity Per Share +
1985	\$ 12,152,232	\$ 5.07
1984	11,047,189	4.56
1983	4,835,224	2.58
1982	3,912,542	2.09
1981	3,409,835	2.09

+ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended	3/2/85	3/3/84
Net sales	\$ 37,444,220	\$ 32,136,517
Cost of sales	29,194,730	23,791,275
Expenses	5,308,565	4,216,143
Interest expense	730,420	891,108
Income before taxes	\$ 2,210,505	\$ 3,237,991
Income taxes	901,672	1,511,433
Net Income	\$ 1,308,833	\$ 1,726,558

* Included in Costs and Expenses, Depreciation \$486,796 in 1985 and \$319,921 in 1984

Assets

As of	3/2/85	3/3/84
Cash	\$ 1,575,188	\$ 1,658,776
Accounts receivable	6,238,717	5,170,145
*Inventories	7,975,354	6,751,821
Prepaid expenses & other assets	273,933	152,095
Current Assets	\$ 16,063,192	\$ 13,732,837
#Fixed assets	7,880,749	4,751,918
Other assets	941,414	567,191
Intangibles	930,737	933,892
Temporary investments	—	3,329,783
Total Assets	\$ 25,816,092	\$ 23,315,621

Liabilities

Long-term debt, curr.	\$ 106,029	\$ 140,936
Accts. payable	2,450,046	2,653,716
Accruals	1,055,615	736,960
Income taxes	—	743,641
Notes payable	—	500,000
Curr. Liabilities	\$ 3,611,690	\$ 4,775,253
Long-term debt	9,388,847	7,103,404
Deferred inc. taxes	663,323	389,775
+ Common stock	245,495	244,364
Add. paid-in capital	5,156,649	5,117,830
Retained earnings	7,009,859	5,701,026
Treasury stock	(259,771)	(111,031)
Total Liabilities & Shareholders' Equity	\$ 25,816,092	\$ 23,315,621

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.90	10.08
%Net Income to Sales	3.50	5.37
%Net Income to Equity	10.77	15.63
Sales to Inventories	4.69	4.76
Working Capital	\$12,451,502	\$ 8,957,584
Current Ratio	4.45	2.88
Shareholders' Equity	\$12,152,232	\$11,047,189

National Service Industries, Inc.

1180 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 892-2400

Officers: Erwin Zaban, chairman of the board & chief exec. officer; Sidney Kirschner, president & chief operating officer; Don W. Hubble, group v.p.; James A. Schroeder, group v.p.; Robert H. Creviston, sr., v.p.-finance & treasurer; Henry R.

Dressel, Jr., v.p.-taxes; David Levy, sr., v.p., secretary & counsel; John A. Bostater, controller; Herbert P. Bruce, v.p.-information services; Walter H. Buco, v.p.-insurance; S. Booker Carter, asst. secretary & asst. counsel; Robert J. Mello, v.p.-auditing; Helen Drake, asst. controller; Donald A. Hindeby, asst. secretary-employee benefits; Carol Ellis Morgan, asst. secretary & asst. counsel; Richard M. Schmidt, asst. secretary-safety; Kenneth A. Speer, asst. treasurer-data processing operations; Gus Strassburger, asst. treasurer-systems development; Judy Wallace, asst. treasurer-investments.

Directors: Erwin Zaban, chairman; Robert H. Creviston, David C. Garrett, Jr., William C. Hatcher, Jesse Hill, Jr., Robert M. Holder, Jr., Sidney Kirschner, Milton N. Weinstein, Thomas R. Williams, John L. Clendenin, David Levy, Gloria M. Shatto.

Business Activities: The Company's textile/apparel activities are conducted by the Block Industries Division which manufactures popularly priced men's sportswear including knit and woven sport shirts, sweaters and jackets, usually under house labels.

Plant Locations: Rowland & Benson, North Carolina (2); New York, New York; Santiago, Dominican Republic.

Trademarks and/or Brand Names: The Pro By Block, Lord Benson, Feet First, Pablo, Michael Barry, USS, That Shirt, Chapel Hill, Franklin Square, Sir William, Southport, Clear Creek, First Landing.

Apparel & Textile Divisions:

Block Industries
525 North College Road
Wilmington, North Carolina 28405
(919) 392-2100

Transfer Agent(s):

First National Bank of Atlanta
Corporate Trust Department
P.O. Box 3260
Atlanta, Georgia 30302

Stock Exchange(s): New York

Ticker Symbol: NSI

Sales and Earnings

	Net Sales & Serv. Revs.	Net Income
1985	\$1,191,205,000	\$ 67,661,000
1984	1,073,105,000	61,506,000
1983	936,350,000	55,374,000
1982	884,859,000	50,628,000
1981	853,436,000	50,086,000
	No. of Com. Shares #	Earn. per Share #
1985	24,638,000	\$ 2.75
1984	24,636,000	2.50
1983	24,633,000	2.25
1982	24,783,000	2.04
1981	25,458,000	1.47

Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business (000's)

	1985	1984
Lighting equip.	\$ 469,426	\$ 383,392
Linen & indust. uniform serv.	271,021	256,860
Chemical	160,258	149,669
Other	290,500	283,184
Total	\$ 1,191,205	\$ 1,073,105

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	\$0.97	—	—
1984	0.86	—	3-for-2
1983	0.79	—	—
1982	0.72	—	4-for-3
1981	0.65	—	—

Adjusted to reflect stock splits.

Nantucket Industries, Inc.

105 Madison Avenue
New York, New York 10016
(212) 889-5656

Officers: George Gold, chairman of the board, chief executive officer & treasurer; Donald D. Gold, president & secretary; Theresa M. Bohnenberger, v.p.-production; Norman Kurlan, v.p.-sales; Drew F. Wofford, v.p.-operations.

Directors: George Gold, Donald D. Gold, Philip Gold, Theresa M. Bohnenberger, Jerry Shapiro, Drew Wofford, Robert M. Rosen, Lawrence H. Bober.

Business Activities: Manufactures ladies' popular priced panties and panty hose.

Trademarks and/or Brand Names: Nantucket Hosiery Mills, Nantucket Industries, Ford Manufacturing, Diana Ross, Crayons, Brut by Faberge, Joe Namath.

Plant Location(s): Cartersville, Ga.; Randleman, N.C.

Divisions:

Ford Manufacturing Co.
Nantucket Hosiery Mills Corp.

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: NAN

Sales and Earnings

	Net Sales	Net Income
1985	\$ 37,444,000	\$ 1,308,833
1984	32,137,000	1,726,558
1983	24,155,000	922,682
1982	18,885,315	503,504
1981	17,108,484	657,229
	No. of Com. Shares +	Earn. per Share #
1985	2,396,038	\$ 0.54
1984	2,424,128	0.87
1983	1,873,631	0.49
1982	1,873,631	0.27
1981	1,629,429	0.35

* 53 weeks.

+ Adjusted to reflect stock dividends and stock split.

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	5-for-4
1983	—	—	—
1982	—	—	—
1981	—	33% & 15%†	—

† Paid May 1, 1981.

Common Stock Equity*

	Total Equity	Equity Per Share #
1985	\$ 417,958,000	\$ 16.96
1984	373,996,000	15.18
1983	334,380,000	13.57
1982	298,249,000	12.03
1981	272,505,000	10.70

* Excludes amounts recorded for goodwill and restrictive covenants.

Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Aug. 31	1985	1984
Net sales & serv. revs.	\$ 1,191,205	\$ 1,073,105
Cost of sales	767,068	689,419
Expenses	312,665	286,862
Interest expense	3,376	2,669
Other income	(3,565)	(5,151)
Income before taxes	\$ 111,661	\$ 99,306
Income taxes	44,000	37,800
Net Income	\$ 67,661	\$ 61,506

* Included in Costs and Expenses, Depreciation and Amortization: \$22,939,000 in 1985 and \$24,510,000 in 1984.

Assets
(000's)

As at Aug. 31	1985	1984
Cash & short-term invest.	\$ 38,064	\$ 17,797
Accts. receiv., net	150,084	138,771
*Inventories	145,774	143,443
Linens in serv.	40,525	36,759
Tax benefits	2,752	1,592
Prepaid income taxes	22,888	16,059
Prepayments	4,376	4,057
Current Assets	\$ 404,463	\$ 358,478
#Fixed assets	178,537	156,472
Goodwill & restric. covenants	4,282	3,720
Other assets	30,444	33,294
Total Assets	\$ 617,726	\$ 551,964

Liabilities
(000's)

Long-term debt, curr.	\$ 1,182	\$ 1,112
Accts. payable	47,162	47,619
Accrued payroll	25,061	23,991
Other accruals	29,895	24,178
Curr. Liabilities	\$ 103,300	\$ 96,900
Tax benefit liab.	6,510	6,228
Long-term debt	8,577	9,486
Deferred inc. taxes	79,673	64,209
Other liab.	1,708	1,145
+ Common stock	28,961	28,961
Retained earnings	423,766	380,054
Treasury stock	(34,769)	(35,019)
Total Liabilities & Shareholders' Equity	\$ 617,726	\$ 551,964

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.37	9.25
%Net Income to Sales	5.68	5.73
%Net Income to Equity	16.19	16.45
Sales to Inventories	8.17	7.48

Debt to Equity	0.02	0.03
Working Capital	\$301,163,000	\$260,435,000
Current Ratio	3.92	3.66
Shareholders' Equity	\$417,958,000	\$373,996,000

Nexus Industries, Inc.

(Operating under Chapter 11 of the U.S. Bankruptcy Code)

570 South Miami Street
Wabash, Indiana 46992
(219) 563-8302

Officers: William B. Hensley, III, chairman of the board & chief exec. officer; Danny F. Cooke, president & chief operating officer.

Directors: William B. Hensley, III, chairman; Danny F. Cooke, Frederick M. Glass, Philip H. Prince.

Business Activities: Imprints and distributes a variety of sportswear shirts and tops.

Plant Location(s): Wabash, Indiana.

Division:

Tropix Togs Division

Subsidiary:

The Shirt Sled, Inc.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEX

Sales and Earnings

	Net Sales +	Net Income †
1985	\$ 28,674,000	\$ (22,263,000)
1984	58,509,000	1,100,000
1983	58,009,000	1,250,000
1982	83,914,000	(3,157,000)
1981	100,976,000	1,210,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,086,152	\$ —
1984	2,098,424	0.52
1983	2,098,928	0.60
1982	2,084,753	—
1981	2,028,838	0.60

(Loss)

+ Of continuing operations only.

† Including extraordinary gains of \$738,000 (\$0.35 per share) in 1984 and \$3,000,000 (\$1.43 per share) in 1983.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity per Share ‡
1985	\$ (15,111,000)	\$ —
1984	7,253,000	3.46
1983	6,153,000	2.93
1982	4,885,000	2.34

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	8/3/85	7/28/84
Net Sales	\$ 28,674	\$ 58,509
Cost of Sales	29,018	45,456
Expenses	8,472	7,287
Interest expense	2,887	3,630

Interest income	(8)	(68)
Goodwill write-off	3,476	537
Prov. to reduce invent.	4,231	—
Loss on abandonment of facil.	1,994	—
Write-off of debt disc.	552	—
Other income	(8)	(33)

Income (loss) bef. taxes	\$ (21,940)	\$ 1,100
Income taxes	323	738

Net Income (Loss)	\$ (22,263)	\$ 362
Extraord. gain	—	738

Net Income (Loss) & extraord. gain	\$ (22,263)	\$ 1,100
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* Included in Costs and Expenses, Depreciation: \$671,000 in 1985 and \$988,000 in 1984.

Assets
(000's)

As of	8/3/85	7/28/84
Cash	\$ 224	\$ 71
Accts. receiv., net	3,570	9,916
Refundable taxes	—	143
*Inventories	3,606	15,287
Other curr. assets	141	1,805
Current Assets	\$ 7,541	\$ 27,222
#Fixed assets	2,089	5,225
Prop. held for sale	903	—
Other assets	39	969
Intangibles	—	3,476
Total Assets	\$ 10,572	\$ 36,892

Liabilities
(000's)

Short-term debt	\$ 9,920	\$ 1,393
Long-term debt, curr.	4	812
Accts. payable	775	4,416
Other curr. liabilities	1,218	1,458
Curr. Liabilities	\$ 11,917	\$ 8,079
Unsecured liab. subj. to settlement	12,686	—
Long-term debt	80	21,560
+ Common stock	24	24
Add. paid-in capital	3,427	3,427
Retained earnings (deficit)	(17,527)	4,736
Treasury stock	(1,035)	(934)
Total Liabilities & Shareholders' Equity	\$ 10,572	\$ 36,892

* At lower of cost (LIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.88
%Net Income to Sales	—	0.62
%Net Income to Equity	—	4.99
Sales to Inventories	7.95	3.83
Debt to Equity	—	3.28
Working Capital	—	\$19,143,000
Current Ratio	—	3.37
Shareholders' Equity (Deficiency)	\$ (15,111,000)	\$ 7,253,000

Noel Industries, Inc.

350 Fifth Avenue
New York, New York 10118
(212) 563-2700

Officers: Leon Ruchlamer, chairman, pres. & chief exec. officer; James C. Evans, Jr., exec. v.p.; William H. Watts, v.p.-finance; Louise Schwartz, secretary.

Noel Industries, Inc.

Directors: Leon Ruchlamer, James C. Evans, Jr., Leo Fine, Peter V. Borras, Louise Schwartz, William H. Watts.

Business Activities: Engaged in the production and sale of jeans for the entire family.

Trademarks and/or Brand Names: Live-Ins, Green Apples, New Friends, CHEAP JEANS, Joe Namath.

Plant Location(s): Ruleville & Greenwood, Mississippi; Kingston, Jamaica.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: NOL

Sales and Earnings

	Net Sales	Net Income
1985	\$ 28,182,078	\$ 116,875
1984	35,425,274	(886,299)
1983	35,993,162	412,706
1982	34,003,681	21,180
1981	35,440,338	1,241,732

	No. of Com. Shares	Earn. per Share #
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1985	1,134,300	\$ 0.10
1984	1,133,696	—
1983	1,130,646	0.37
1982	1,123,357	0.02
1981	1,112,270	1.12

(Loss)

Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 6,970,984	\$ 6.15
1984	6,854,109	6.05
1983	7,738,978	6.84
1982	7,307,760	6.51
1981	7,265,924	6.53

Income Account *

Year ended Oct. 31	1985	1984
Net sales	\$ 28,182,078	\$ 35,425,274
Cost of sales	22,625,970	29,357,864
Expenses	4,387,867	6,468,572
Interest expense	1,015,766	1,296,937
Inc. (loss) bef. taxes	\$ 152,475	\$ (1,698,099)
Income taxes (credit)	35,600	(811,800)
Net Income (Loss)	\$ 116,875	\$ (886,299)

* Included in Costs and Expenses, Depreciation and Amortization: \$624,352 in 1985 and \$602,694 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	\$ 201,728	\$ 212,709
Accts. & notes receiv., net	5,182,822	6,633,570
*Inventories	5,736,777	8,050,727
Prepaid expenses & other assets	291,805	1,062,943
Current Assets	\$ 11,413,132	\$ 15,959,949
#Fixed assets	3,191,971	3,207,178
Other assets	1,095,727	956,725
Total Assets	\$ 15,700,830	\$ 20,123,852

Liabilities

Bank loan	\$ 2,819,461	\$ 8,949,350
Long-term debt, curr.	578,825	73,263
Accts. payable & accruals	2,303,244	2,888,391

Curr. Liabilities	\$ 5,701,530	\$ 11,911,004
Long-term debt	2,503,582	832,405
Deferred income taxes	524,734	526,334
+ Common stock	118,680	118,680
Add. paid-in capital	2,898,480	2,898,480
Retained earnings	4,238,968	4,122,093
Treasury stock	(285,144)	(285,144)

Total Liabilities & Shareholders' Equity	\$ 15,700,830	\$ 20,123,852
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* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.54	—
%Net Income to Sales	0.41	—
%Net Income to Equity	1.68	—
Sales to Inventories	4.91	4.40
Debt to Equity	0.44	0.13
Working Capital	\$5,711,602	\$4,048,945
Current Ratio	2.00	1.34
Shareholders' Equity	\$6,970,984	\$6,854,109

Oak Hill Sportswear Corporation

1411 Broadway
New York, New York 10018
(212) 354-0444

Officers: Arthur L. Asch, chairman of the board; Joseph DeClemente, president; Martin Jacobson, v.p. & treasurer; Joseph Greenberger, secretary.

Directors: Arthur L. Asch, chairman; Joseph DeClemente, Joseph Greenberger, Steven Kotler, Bruce Slovin, Peter Sutro, Wilmer J. Thomas, Jr.

Business Activities: Designs, manufactures, imports and markets women's apparel and accessories. Principal products include shirts, tops, sweaters and cotton knits designed for the missy, junior, large size, and petite woman.

Trademarks and/or Brand Names: Oak Hill, Try 1, Lady Oak Hill, Oak Hill Petites, OMI, Victoria Jones, TOI, Memphis Jones, LOH, and Victoria Jones Petites.

Plant Location(s): Marietta, Mississippi, and Long Island City, New York.

Divisions:

Oak Hill Sportswear
Try 1
Lady Oak Hill
Oak Hill Petites
Oak Hill Imports

all at:

1411 Broadway
New York, New York 10018

Marietta Manufacturing
Marietta, Mississippi 38856

Harmal Industries
33-00 Northern Boulevard
Long Island City, New York 11101
Produces belts, costume jewelry, and a line of shirts, blouses and sundresses.

Transfer Agent(s):

American Stock Transfer Agent
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: OHSC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 100,385,000	\$ 598,000
1984	95,269,000	2,098,000
1983	86,506,000	3,490,000

1982	76,416,000	4,657,000
1981	72,668,000	5,630,000

	No. of Com. Shares ‡	Earn. per Share †‡
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1985	3,700,000	\$ 0.16
1984	4,066,000	0.52
1983	4,296,000	0.81
1982	4,283,000	1.08
1981	4,304,000	1.30

† Including extraordinary gains of \$1,138,000 (\$0.29 per share) in 1984, \$448,000 (\$0.10 per share) in 1983, \$1,740,000 (\$0.40 per share) in 1982 and \$2,642,000 (\$0.60 per share) in 1981.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	1-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 20,080,000	\$ 5.43
1984	19,354,000	4.76
1983	18,965,000	4.41
1982	16,080,000	3.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 100,385	\$ 96,269
Cost of sales	79,554	74,656
Expenses	18,595	17,736
Interest expense	1,070	994
Income before taxes	\$ 1,166	\$ 1,883
Income taxes	568	923
Net Income	\$ 598	\$ 960
Extraord. gain	—	1,138
Net Income & extraord. gain	\$ 598	\$ 2,098

* Included in Costs and Expenses, Depreciation and Amortization: \$610,000 in 1985 and \$572,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 3,439	\$ 737
Accts. receiv., net	10,959	13,077
*Inventories	10,784	15,491
Other curr. assets	383	821
Current Assets	\$ 25,565	\$ 30,126
#Fixed assets	3,423	3,630
Other assets	240	303
Intangibles	1,644	1,693
Total Assets	\$ 30,872	\$ 35,752

Liabilities (000's)

Notes payable	\$ —	\$ 4,900
Long-term debt, curr.	441	633
Accts. payable	3,961	4,087
Accruals	2,260	2,842
Income taxes	1,969	1,563
Curr. Liabilities	\$ 8,631	\$ 14,025
Long-term debt	2,033	2,288

Oshkosh B'Gosh, Inc.

Deferred inc. taxes	128	85
+ Common stock	88	86
Add. paid-in capital	24,624	24,451
Accumulated deficit	(2,039)	(2,637)
Treasury stock	(2,593)	(2,546)

Total Liabilities & Shareholders' Equity	\$ 30,872	\$ 35,752
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* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.02 par value.

Statistical Summary

%Income bef. Taxes		
to Sales	1.16	1.98
%Net Income to Sales	0.60	1.01
%Net Income to Equity	2.98	4.96
Sales to Inventories	9.31	6.15
Debt to Equity	0.12	0.40
Working Capital	\$16,934,000	\$16,101,000
Current Ratio	2.96	2.15
Shareholders' Equity	\$20,080,000	\$19,354,000

Opelika Manufacturing Corporation

361 West Chestnut Street
Chicago, Illinois 60610
(312) 664-8300

Officers: Lee Mortenson, president & chief exec. officer;
Cecil Eggert, v.p.-manufacturing; Roy Younger, v.p.-finance;
Norman Raven, secretary.

Directors: Donald P. Cohen, Everett A. Sisson, David B. Wallerstein, Richard J. Scully, Thomas E. Weil, Nathan H. Dardick, James Fawcett, Jr., Howard Freidman.

Business Activities: Manufactures textiles, towels and washable service apparel for rental laundries and retail mass marketers; garments and specialty textiles for hospitals and institutions; automated sewing machinery for the textile industry.

Plant Location(s): Chicago, Cairo & Teutopolis, Illinois; Fountain Inn, South Carolina; Hawkinsville, Georgia; Opelika & Phenix City, Alabama; Hot Springs, Arkansas; Los Angeles, California; Barbados, West Indies.

Divisions and Subsidiaries:

M. Snower and Company
Washable service apparel and toweling for the linen supply and industrial laundering industries.

Whitehouse Manufacturing Company
Hospital and institutional apparel.

Concepts by Joffey
Custom uniform programs for hotels, airlines, theme parks, the Fast Food industry, and others.

Sew Simple Systems, Inc.
Textile machinery

Snowflake/Wolf Division
Oven mitts, pot holders and related housewares.

Opelika/Hawkinsville Division
Spinning and weaving of cotton cloth. Weaving and finishing of towels and toweling.

All located at:
361 West Chestnut Street
Chicago, Illinois 60610
(312) 664-8300

Transfer Agent(s):
The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): New York

Ticker Symbol: OPK

Sales and Earnings

	Net Sales ‡	Net Income
1984	\$ 63,160,000	\$ (4,966,000)

1983	63,877,000	(3,117,000)
1982	71,700,000	(3,474,000)
1981*	75,825,000	(2,211,000)
1980	69,098,000	(1,783,000)

	No. of Com. Shares +	Earn. per Share +
1984	555,835	\$ —
1983	403,112	—
1982	400,6x0	—
1981*	400,680	—
1980	342,225	—

(Loss)

* 53 weeks.

‡ Of continuing operations only.

+ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1984	\$ —	—	—
1983	—	—	1-for-3
1982	—	—	—
1981	0.78	—	—
1980	2.52	—	—

‡ Adjusted to reflect reverse stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1984	\$ 13,615,000	\$ 24.49
1983	16,153,000	40.07
1982	19,276,000	48.11
1981	22,750,000	56.78
1980	22,604,000	66.05

+ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Income Account *

Year ended	9/29/84	10/1/83
Net sales	\$ 63,160,000	\$ 63,877,000
Cost of sales	58,309,000	58,002,000
Expenses	6,849,000	6,388,000
Interest expense	2,583,000	2,800,000
Other income	(259,000)	(196,000)
Other expense	644,000	—
Net Loss	\$ (4,966,000)	\$ (3,117,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,458,000 in 1984 and \$1,558,000 in 1983.

	As of 9/29/84	10/1/83
Assets		
Cash	\$ —	\$ 509,000
Accts. receiv.	8,986,000	11,914,000
*Inventories	17,744,000	17,219,000
Other curr. assets	182,000	182,000
Current Assets	\$ 26,912,000	\$ 29,824,000
#Fixed assets	13,249,000	14,731,000
Other assets & deferred charges	124,000	200,000
Patents	1,568,000	1,857,000
Total Assets	\$ 41,853,000	\$ 46,612,000

	Long-term debt, curr.	Accts. payable	Bank overdraft	Accruals
1984	\$ 12,801,000	\$ 3,806,000	4,362,000	4,401,000
1983	4,362,000	897,000	—	—
1982	2,817,000	1,599,000	—	—
1981	20,877,000	9,806,000	—	—
1980	7,361,000	20,653,000	—	—
1983	3,136,000	2,014,000	—	—
1982	8,197,000	6,891,000	—	—
1981	2,282,000	7,248,000	—	—
Total Liabilities & Shareholders' Equity	\$ 41,853,000	\$ 46,612,000	—	—

* At lower of cost (FIFO & LIFO) or market.
Less accumulated depreciation.
+ \$5 par value.

Statistical Summary

Sales to Inventories	3.56	3.71
Working Capital	\$ 6,035,000	\$20,018,000
Current Ratio	1.29	+3.04
Shareholders' Equity	\$13,615,000	\$16,153,000

Oshkosh B'Gosh, Inc.

112 Otter Avenue
Oshkosh, Wisconsin 54901
(414) 231-8800

Mailing address:

P.O. Box 300
Oshkosh, Wisconsin 54902

Officers: C.F. Hyde, president & chief exec. officer; T.R. Wyman, exec. v.p.; W.P. Jacobsen, v.p. & treasurer; J.F. Beckman, v.p.-sales; A.S. Giordano, v.p.-manufacturing; S.R. Duback, secretary; K.H. Masters, asst. v.p.-mfg.; D.W. Hyde, v.p.-merchandising; M.D. Wachtel, dir. of operations.

Directors: C.F. Hyde, W.P. Jacobsen, T.R. Wyman, S.R. Duback, J.C. Pickard.

Business Activities: Manufactures workwear and sportswear for adults, and casualwear and playwear for children under the OshKosh B'Gosh and OshKosh names. Also operates nine Genuine Article factory retail outlets.

Trademarks and/or Brand Names: OshKosh B'Gosh, OshKosh.

Plant Locations: Oshkosh, Wisconsin; Columbia, Morrow Bone & Liberty, Kentucky; Celina, McEwen, Dover & Hermitage Springs, Tennessee.

Transfer Agent(s):

First Wisconsin Trust Co.
Milwaukee, Wisconsin

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GOSHA, GOSHB (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 162,109,000	\$ 14,046,000
1984	137,423,000	12,853,000
1983	92,299,238	8,237,214
1982	60,969,665	5,327,200
1981	47,528,748	3,779,471

	No. of Com. Shares	Earn. per Share ‡
1985	7,292,900	\$ 1.93
1984	7,296,300	1.76
1983	7,320,300	1.13
1982	7,323,160	0.73
1981	7,325,960	0.50

‡ Based on the weighted average number of common shares outstanding adjusted to reflect recapitalization.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$0.7799	—	20-for-1
1984	0.7005	—	—
1983	0.4348	—	—
1982	0.3092	—	—
1981	0.2705	—	—

+ Adjusted to reflect recapitalization.

Oshkosh B'Gosh, Inc.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 47,536,000	\$ 6.52
1984	36,072,000	4.94
1983	26,153,031	3.57
1982	19,571,507	2.67
1981	15,424,833	2.11

‡ Adjusted to reflect recapitalization.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 162,109,000	\$ 137,423,000
Cost of sales	113,511,000	96,033,000
Expenses	20,932,000	15,821,000
Interest exp.	1,169,000	1,088,000
Interest income	(232,000)	(512,000)
Other income	(167,000)	—
Income before taxes	\$ 26,896,000	\$ 24,993,000
Income taxes	12,850,000	12,140,000
Net Income	\$ 14,046,000	\$ 12,853,000

* Included in Costs and Expenses, Depreciation: \$2,342,000 in 1985 and \$1,775,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	\$ 3,577,000	\$ 628,000
Accts. receiv., net	15,113,000	12,688,000
*Inventories	33,345,000	27,240,000
Prepaid expenses	204,000	48,000
Current Assets	\$ 52,239,000	\$ 40,604,000
#Fixed assets	16,988,000	14,516,000
Other assets	1,498,000	1,218,000
Total Assets	\$ 70,725,000	\$ 56,338,000

Liabilities

Long-term debt, curr.	\$ 1,140,000	\$ 922,000
Accts. payable	5,937,000	7,927,000
Dividends payable	652,000	—
Accruals	2,092,000	1,736,000
Income taxes	2,189,000	754,000
Other liabilities	1,585,000	1,098,000
Curr. Liabilities	\$ 13,595,000	\$ 12,437,000
Long-term debt	8,792,000	7,330,000
Deferred income taxes	143,000	60,000
Deferred compensation	659,000	439,000
+ Common stock:		
Class A	55,000	55,000
Class B	18,000	18,000
Add. paid-in capital	3,044,000	1,751,000
Retained earnings	44,419,000	34,248,000
Total Liabilities & Shareholders' Equity	\$ 70,725,000	\$ 56,338,000

* At lower of cost (FIFO and LIFO) or market.

Less accumulated depreciation.

+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.59	18.19
%Net Income to Sales	8.66	9.35
%Net Income to Equity	29.55	35.63
Sales to Inventories	4.86	5.04
Debt to Equity	0.21	0.23
Working Capital	\$38,644,000	\$28,167,000
Current Ratio	3.84	32.56
Shareholders' Equity	\$47,536,000	\$36,072,000

Officers: William W. Boeschstein, chairman of the board, president & chief exec. officer; Richard W. Muzzy, vice-chairman; Guy O. Mabry, Lewis W. Saxby, sr. v.p.'s; Robert C. Doban, sr. v.p.-science & technology; William W. Colville, sr. v.p.-law & secretary; Howard T. Cusic, sr. v.p.; Charles C. Gifford, v.p.-personnel relations; Robert D. Heddens, v.p.-purchases & transportation; John P. Kern, v.p.-industry relations; John E. Gates, v.p.-industrial relations; Robert P. Mulligan, v.p.-industry relations; Max O. Weber, v.p.-Insulation Operating Division; Edward P. Lindsay, v.p.-Textile Operating Division; Paul V. Daverio, sr. v.p.; Joseph J. Doherty, v.p.-mkt. communications; Bradford C. Oelman, v.p.-gov't. relations; Frederic L. Purtil, v.p.-Pacific Coast; James J. Young, v.p.-corporate planning; D. Jack Hensler, v.p.-Interior Products Operating Division; J. Peter Deigen, v.p.-Supply Division; Larry T. Solari, v.p.-Mechanical Operating Div.; Bert E. Elliott, v.p.-Roofing Products Operating Division; James S. Hearons, v.p.-international; Frank W. Como, v.p.-Industrial Operating Div.; Harry G. Kammer, v.p. & treasurer; Gilbert Soors, dir.-int'l finance/asst. treasurer; C. Peter Hauck, v.p. & controller.

Directors: William W. Boeschstein*, Charles A. Anderson, Louis W. Cabot*, W.L. Hadley Griffin, James M. Kemper, Jr.*, Robert H. Knight*, Robert V. Roosa*, Richard W. Muzzy, Furman C. Moseley, Jr., Peter L. Scott.

* Member of the Executive Committee.

Business Activities: Engaged in the manufacture of glass fiber products for a diversified range of markets: industrial and commercial construction; home building; industrial, marine; recreation; transportation; equipment and appliance; and industrial and decorative textile. Also produces polyester resins and high performance composite materials and components which include high technology carbon and silica textiles, preimpregnated reinforced plastic, fabrics and fibers.

Trademarks and/or Brand Names: Fiberglas, Beta, Beta Care, Creel-Pak, Dimensionair, Flowtite, Kaylo, Perma-Ply, S. Glass, S-2 Glass, Sonobatts, Trans-Pak, Blanket, Supreme Plus, SSL, Nova, Energy Miser, NUKON.

Plant Location(s): Aiken, Columbia & Anderson, S.C.; Compton, Martinez, San Leandro, Bakersfield & Santa Clara, Calif.; Kearny, Barrington & Berlin, N.J.; Delmar, N.Y.; Summit III; Amarillo, Houston, Irving, Conroe & Waxahatchie, Tex.; Atlanta & Fairburn, Ga.; Huntingdon, Mt. Union, Pa.; Huntsville, Ala.; Memphis & Jackson Tenn.; Kansas City, Kan.; Medina & Newark, Ohio; Brookville, Mishawaka & Valparaiso, Ind.; Ft. Lauderdale & Jacksonville, Fla.; Denver, Col.; Detroit, Mich.; Hazelwood, Kansas City & North Kansas City, Mo.; Jessup, Md.; Minneapolis, Minn.; Meridian, Miss.; Morehead City, N.C.; Oklahoma City, Ok.; Portland & St. Helens, Ore.; Woods Cross, Utah; Aubundale, Florida; Camp Hill, Pennsylvania; La Grange, Georgia; East Moline, Illinois.

Divisions:

Insulation Operating Division
Roofing Products Operating Division
Supply Division
Interior Products Operating Division
Mechanical Operating Division
Contracting Division
Industrial Operating Division
Textile Operating Division
International
Science and Technology
Aerospace & Strategic Materials Group

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: OCF

Sales and Earnings

	Net Sales	Net Income ‡
1985	\$3,304,959,000	\$ 131,212,000
1984	3,021,183,000	113,886,000
1983	2,753,213,000	87,923,000
1982	2,373,500,000	29,700,000
1981	2,375,100,000	49,800,000

No. of Com.
Shares ‡

1985	29,695,000	\$ 4.42
1984	29,444,000	3.87

1983	28,845,000	3.05
1982	30,405,000	0.98
1981	30,644,000	1.63

‡ Including extraordinary gain of \$8,184,000 (\$0.28 per share) in 1983.

‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business (000's)

	1985	1984
Insulation & construction	\$ 2,385,515	\$ 2,289,229
Industrial & textile	481,654	540,466
Aerospace & strategic materials	155,954	—
International	281,836	191,488
Total	\$ 3,304,959	\$ 3,021,183

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.40	—	—
1984	1.30	—	—
1983	1.20	—	—
1982	1.20	—	—
1981	1.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 944,683,000	\$ 31.81
1984	841,629,000	28.58
1983	765,560,000	26.54
1982	654,841,000	21.54
1981	773,587,000	25.24

‡ Based on the weighted average number of shares outstanding.

Income Account * (000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 3,304,959	\$ 3,021,183
Other income	30,234	28,515
Total Income	\$ 3,335,193	\$ 3,049,698
Cost of sales	2,579,140	2,304,841
Expenses	457,826	439,520
Cost of borrowed funds	37,563	27,266
Cash discounts	33,914	29,685
Foreign currency exchange loss (gain)	1,667	(1,143)
Misc. taxes	16,977	14,321
Other expense	40,655	54,234
Income bef. taxes	\$ 167,451	\$ 180,974
Unusual item	(44,217)	—
Income taxes	90,465	71,486
Eq. in inc. of affil.	(10,009)	(4,398)
Net Income	\$ 131,212	\$ 113,886

* Included in Costs and Expenses, Depreciation and Amortization: \$125,280,000 in 1985 and \$118,204,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 10,470	\$ 6,042
Marketable securities	21,568	50,025
Receiv., net	528,363	396,230
*Inventories	401,634	215,545
Other current assets	68,392	52,378
Current Assets	\$ 1,030,427	\$ 720,220
Investments	48,684	52,487
#Fixed assets	1,178,700	910,599
Prepaid expenses & other assets	108,039	48,524
Total Assets	\$ 2,365,850	\$ 1,731,830

Owens-Corning Fiberglas Corporation

Fiberglas Tower
Toledo, Ohio 43659
(419) 248-8000

Palm Beach Incorporated

Liabilities (000's)

Notes payable	\$ 16,193	\$ 18,324
Long-term debt, curr.	17,176	13,286
Accts. payable & accruals	468,700	383,009
Income taxes	45,742	17,689
Curr. Liabilities	\$ 547,811	\$ 432,308
Long-term debt	543,024	224,027
Reserves	78,143	75,595
Deferred investment credit	49,501	42,882
Deferred inc. taxes	83,423	62,751
Advances	119,265	52,638
+ Common stock	129,851	129,170
Retained earnings	864,329	774,688
Curr. trans. adj.	(20,270)	(25,099)
Treasury stock	(29,227)	(37,130)

Total Liabilities & Shareholders' Equity	\$ 2,365,850	\$ 1,731,830
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* At cost (FIFO and LIFO).

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.07	5.99
%Net Income to Sales	3.97	3.77
%Net Income to Equity	13.89	13.53
Sales to Inventories	8.23	14.02
Debt to Equity	0.61	0.30
Working Capital	\$482,616,000	\$287,912,000
Current Ratio	1.88	1.67
Shareholders' Equity	\$944,683,000	\$841,629,000

Oxford Industries, Inc.

222 Piedmont Avenue, N.E.
Atlanta, Georgia 30308
(404) 659-2424

Officers: J. Hicks Lanier, chairman & president; John M. Hall, Fraser L. Hunter, Knowlton J. O'Reilly, group v.p.'s; John P. Hunter, Jr., v.p.-research & development; Grady M. Jackson, v.p.-human resources; R. William Lee, Jr., v.p.-finance & administration; Abner E. Avirett, controller & treasurer; Jonathan M. Fee, secretary & gen. counsel; Kontz L. Mitchell, asst. controller.

Directors: J. Hicks Lanier, chairman; Sartan Lanier, Carl J. Reith, J. Reese Lanier, Bradley Hale, John P. Hunter, Jr., Grady M. Jackson, R. William Lee, Jr., Wilton D. Looney, Gene W. Milner, Augustus H. Sterne, Clifford M. Kirtland, Jr.

Business Activities: Manufactures men's, women's and children's apparel under various Oxford brands for sale to chain, department and specialty stores.

Apparel Trademarks and/or Brand Names: Wright, Merona for Sport, Jeffrey Banks, Robert Stock, Holbrook, Oxford Shirts, Oxford Slacks, Merona, Cos Cob, Lanier Clothes, O.S.A., McGregor, JBJ, Oleg Cassini, Polo for Boys, Manor Park, JPG by Jean-Paul Germain, Oscar de la Renta, Jhane Barnes II, LeeWright, Boston Athletic Club by Gil Truedsson.

Plant Locations: Alamo, Alma, Bowman, Commerce, Covington, Cummings, Dawson, Dublin, Greenville, Lawrenceville, Lincolnton, Lyons, Macon, Monroe, Monticello, Reynolds, Rome, Royston, Tifton, Toccoa, Unadilla, Vidalia & Wadley, Ga.; Belton, Camden, Chester, Columbia, Donalds, Gaffney, Greenwood, Hickory Grove, Kingstree, Whitmore, S.C.; Burgaw, Hamlet & Maiden, N.C.; Luverne, Ala.; Decherd, Tn.; Narrows, Va.; Tupelo, Ms.; Agua Prieta, Sonora, Mexico.

Divisions and Subsidiaries:

Oxford Shirt Division
Lanier Clothes Division
Oxford Dress Division
Oxford Collections
Oxford Separates
Oxford Slacks
Oxford Sportswear & Apparel

Merona Sport Division
Merona Dress Division
Cos Cob Division

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): New York

Ticker Symbol: OXM

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 558,666,000	\$ 7,133,000
1984	577,313,000	25,007,000
1983	516,677,000	22,654,000
1982	435,928,000	16,330,000
1981	333,747,000	8,771,000
	No. of Com. Shares #	Earn. per Share #
1985	11,079,593	\$ 0.64
1984	11,549,802	2.17
1983	11,554,892	1.96
1982	11,530,664	1.42
1981	11,868,384	0.74

+ Including revenues from service contracts and finance charges.

Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984	1983	1982
Apparel				
Menswear	62%	62%	61%	65%
Womenswear	38	38	39	35
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	\$0.42	—	—
1984	0.36	—	2-for-1
1983	0.2925	—	2-for-1
1982	0.23	—	—
1981	0.20	—	—

‡ Adjusted to reflect stock splits

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 123,109,000	\$ 11.11
1984	120,518,000	10.43
1983	107,232,000	9.28
1982	87,800,000	7.61
1981	74,057,000	6.24

‡ Based on the average number of shares outstanding adjusted to reflect stock splits

Income Account *

Year ended	5/31/85	6/1/84
Net sales	\$ 558,666,000	\$ 577,313,000
Cost of sales	438,804,000	432,643,000
Expenses	100,425,000	93,760,000
Interest expense	6,844,000	3,425,000
Income before taxes	\$ 12,593,000	\$ 47,485,000
Income taxes	5,460,000	22,478,000
Net Income	\$ 7,133,000	\$ 25,007,000

* Included in Costs and Expenses, Depreciation and Amortization: \$7,304,000 in 1985 and \$6,693,000 in 1984.

Assets

As of	5/31/85	6/1/84
Cash	\$ 4,314,000	\$ 3,266,000
Receivables, net	72,187,000	71,727,000

*Inventories	111,547,000	113,206,000
Prepaid expenses	1,862,000	1,673,000

Current Assets	\$ 189,910,000	\$ 189,872,000
#Fixed assets	40,505,000	37,717,000
Other assets	4,597,000	2,893,000

Total Assets	\$ 235,012,000	\$ 230,482,000
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Liabilities

Notes payable	\$ 40,000	\$ 21,000
Long-term debt, curr.	2,175,000	3,668,000
Accts. payable	24,603,000	34,742,000
Accruals	33,312,000	28,131,000
Income taxes	1,428,000	3,162,000

Curr. Liabilities	\$ 91,879,000	\$ 90,703,000
Long-term debt	20,024,000	19,261,000
+ Common stock	11,094,000	11,068,000
Add. paid-in capital	4,845,000	4,724,000
Retained earnings	107,170,000	104,726,000

Total Liabilities & Shareholders' Equity	\$ 235,012,000	\$ 230,482,000
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* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.25	8.23
%Net Income to Sales	12.77	4.33
%Net Income to Equity	5.79	20.75
Sales to Inventories	5.01	5.10
Debt to Equity	0.18	0.19
Working Capital	\$ 98,031,000	\$ 99,169,000
Current Ratio	2.07	2.09
Shareholders' Equity	\$123,109,000	\$120,518,000

Palm Beach Incorporated

(a wholly-owned subsidiary of Palm Beach Holdings, Inc., a privately held corporation)

400 Pike Street
Cincinnati, Ohio 45202
(513) 241-4260

Mailing Address:

P.O. Box 1519
Cincinnati, Ohio 45201

Officers: Elmer L. Ward, Jr., chairman of the board; Calvin Siegal, president; Lawrence W. Ward, exec. v.p.-adm.; William B. Ankenen, exec. v.p.-finance; Jay Shaw, group president-Men's Wear; Thomas C. Roedersheimer, v.p.-corp. credit mgr.; Michael J. Shannon, v.p.-management information systems; William E. Beebe, treasurer; Walter L. Landerger, Jr., secretary; Paul W. Bridge, Jr., controller.

Directors: Elmer Ward, Jr., William B. Ankenen, Calvin Siegal, James J. Burke, M. John O'Donoghue, John W. Stodder, Walter L. Landerger, Jr., Raymond J. Minella, Rupinder S. Sidhu, Franklin Simon, II.

Business Activities: Designs, manufactures and markets tailored suits, sport-coats, sportswear for men and boys. Also designs, manufactures and markets temporary dresses, separates and tailored sportswear for women. Also operates outlet stores and formal wear rental establishments.

Trademarks and/or Brand Names: Palm Beach, Gant, Rugger, Craig Craely, Evan-Picone, Austin-Hill Ltd., Royal Palm Beach, Calvin-For-Men, Bataya Weave, Celebrity, Heritage, Calvin, William Barry Blassport, Bill Blass Collection III, John Weitz, Weekender, Trip-L-Aire, Hunter Haig, Seinsheimer, Varsity Town, Genuine Palm Beach, Springweave, Sunfrost, Palm Lite, Resortweave, Palm Springs, Country Set Adler, Polo, Solo's, American Bazaar, Planter Linen, Dudley, Sampeck, Buddy, Pierre Cardin, Haspel, Eagle Shirts,akers, Buccaneer, Evan Picone for Men, Haspel Turnbury, J. Press, Hammonton Park.

Plant Locations: Knoxville & Rockwood, Tenn.; Talladega, Alabama, Lebanon, Erlanger, Danville, Somerset & Newport,

Palm Beach Incorporated

Kentucky; North Bergen, New Jersey; Gallitzien, Allentown, Quakertown and Mahoney City, Pa.; New Bedford, Mass.; Salisbury, Md.; New Britain, Conn.

Divisions and Subsidiaries:

Calvin Clothing Corporation
64 Conduit St.
New Bedford, Massachusetts

Evan-Picone
7801 Tonnelle Blvd.
North Bergen, New Jersey

Palm Beach Tailored Clothing
Evan-Picone for Men, Inc.
Haspel/Gant Tailored Clothing

All at:
400 Pike Street
Cincinnati, Ohio 45202

Gant Corporation
Quakertown, Pennsylvania 18951

Eagle Shirtmakers, Inc.
5th & Juniper Streets
Quakertown, Pennsylvania 18951

Pierre Cardin

William Barry Company, Inc.
Eagle Youthwear, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

NOTE:

On December 11, 1985, the Company became a wholly owned subsidiary of Palm Beach Holdings, Inc. as a result of the acquisition and merger of Palm Beach Incorporated. Palm Beach, Inc. before the merger is referred to as "Predecessor", Palm Beach Incorporated after the merger is referred to as "Palm Beach".

Sales and Earnings *

	Net Sales +	Net Income
1985	\$ 419,065,000	\$ 5,279,000
1984	458,961,000	10,028,000
1983	472,394,000	13,944,000
1982	491,018,000	9,524,000
1981	497,249,000	13,227,000
	No. of Com. Shares	Earn. per Share #
1985	1,000	\$ —
1984	3,707,265	2.71
1983	3,691,765	3.60
1982	3,653,765	2.29
1981	3,653,765	3.30

* Predecessor.

+ Of continuing operations only.

Based on the weighted average number of shares outstanding.

‡ Earnings per share in 1985 are omitted because Palm Beach's common shares are no longer publicly held.

Common Stock Equity

	Total Equity	Equity Per Share
1985*	\$ 8,155,000	\$ —
1984	97,082,000	26.19
1983	91,180,000	24.70
1982	81,947,000	22.43
1981	77,998,000	21.35

* Palm Beach.

× Predecessor.

Income Account

Year ended	12/28/85*	12/29/84*
Net sales	\$ 419,065,000	\$ 458,961,000
Cost of sales	315,081,000	335,437,000

Expenses	85,213,000	92,490,000
Interest expense	15,675,000	15,899,000
Other income	(6,510,000)	(3,365,000)

Income before taxes	\$ 9,606,000	\$ 18,500,000
Income taxes	4,327,000	8,472,000
Net Income	\$ 5,279,000	\$ 10,028,000

* Predecessor.

	Assets	
As of	12/28/85‡	12/29/84 ×
Cash	\$ 2,126,000	\$ 3,207,000
Cash investments	4,279,000	3,345,000
Accts. receiv., net	50,218,000	60,999,000
Income tax refund	—	3,259,000
*Inventories	125,262,000	134,961,000
Prepaid expenses	6,239,000	6,985,000
Curr. Assets	\$ 188,124,000	\$ 212,756,000
#Fixed assets	44,272,000	35,063,000
Other assets	29,920,000	10,023,000
Total Assets	\$ 262,316,000	\$ 257,842,000

	Liabilities	
Notes payable	\$ —	\$ 3,000,000
Long-term debt, curr.	8,891,000	85,000
Accts. payable	46,951,000	55,646,000
Accruals	14,565,000	9,857,000
Income taxes	671,000	234,000
Curr. Liabilities	\$ 71,078,000	\$ 68,822,000
Long-term debt	171,456,000	80,436,000
Deferred inc. taxes	—	11,502,000
+ Redeem. pref. stock	11,627,000	—
+ + Common stock	1,000	927,000
Add. paid-in capital	8,154,000	8,520,000
Retained earnings	—	87,635,000
Total Liabilities & Shareholders' Equity	\$ 262,316,000	\$ 257,842,000

‡ Palm Beach.

× Predecessor.

* At standard cost which approximates actual cost (LIFO) and are not in excess of market.

Less accumulated depreciation and amortization.

+ \$0.01 par value; 10% cumulative exchangeable.

+ + \$0.10 par value in 1985.

Statistical Summary

%Income bef. Taxes to Sales	2.29	4.03
%Net Income to Sales	1.26	2.18
%Net Income to Equity	—	10.33
Sales to Inventories	3.35	3.40
Debt to Equity	—	0.86
Working Capital	\$117,046,000	\$145,934,000
Current Ratio	2.65	3.09
Shareholders' Equity	\$ 8,155,000	\$ 97,082,000

Pannill Knitting Company, Incorporated

202 Cleveland Avenue
Martinsville, Virginia 24115
(703) 638-8841

Officers: William G. Pannill, chairman of the board & chief exec. officer; John G. Decker, president & chief operating officer; Bryce N. Middleton, exec. v.p. & chief financial officer; Norman H. Philips, v.p. & dir. sales; William L. Pannell, v.p.-merchandising; Joe R. Brown, treasurer; Frank M. Lacy, Jr., secretary.

Directors: William G. Pannill, chairman, John G. Decker, Bryce N. Middleton, Peter E. Bennett, Gilbert Butler, R. Bradford Malt, Arthur W. Wadman.

Business Activities: Manufactures and distributes fleeced sportswear, offering sweatshirts and sweatpants in a wide array of colors and sizes, for men, women, children and infants. Principal products are long-sleeve crewneck sweatshirts, hooded sweatshirts available in zipper or pullover styles and sweatpants with elastic or drawstring waists.

Trademarks and/or Brand Names: Pannill, Ultra Sweats.
Plant Locations: Martinsville, Gretna, Floyd, Stuart, and Rocky Mount, Virginia.

Transfer Agent(s):

United Virginia Bank
Richmond, Virginia

Stock Exchange(s): New York

Ticker Symbol: PKC

Sales and Earnings

	Net Sales	Net Income ‡
1985	\$ 191,522,000	\$ 18,830,000
1984*	117,865,000	(7,203,000)
1983 ×	160,052,000	22,752,000
1982 ×	144,754,000	19,855,000
1981 ×	112,342,000	15,241,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	14,821,000	\$ 1.19
1984*	14,570,000	—

(Loss)

* 36 weeks.

× On Apr. 18, 1984, Pannill Knitting Co., (The Predecessor Company) was merged into PKC Acquisition, Inc., whose name was changed to Pannill Knitting Company, Inc. at the time of the merger. These figures are for the Predecessor Company.

‡ Including extraordinary gain of \$4,872,000 (\$0.33 per share) in 1985.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 1,383,000	\$ 0.09
1984	(16,720,000)	—

(Deficiency)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account * (000's)

Year ended Dec. 31	1985	1984 (36 weeks)
Net sales	\$ 191,522	\$ 117,865
Cost of sales	126,562	92,851
Expenses	13,011	8,451
Amortization	3,990	5,018
Interest expense	20,369	18,935
Interest income	(179)	(292)
Other expenses	758	105
Inc. (loss) bef. taxes	\$ 27,011	\$ (7,203)
Income taxes	13,053	—
Net Income (Loss)	\$ 13,958	\$ (7,203)
Extraord. gain	4,872	—
Net Income (Loss) & extraord. gain	\$ 18,830	\$ (7,203)

* Included in Costs and Expenses. Depreciation: \$5,646,000 in 1985 and \$3,687,000 in 1984.

Assets (000's)

As of Dec. 31	1985	1984
Cash	\$ 4,591	\$ 3,551
Accts. receiv., net	42,622	26,896
*Inventories	17,247	24,225
Prepaid expenses	397	392
Current Assets	\$ 64,857	\$ 55,064
#Fixed assets	65,336	68,126
Other assets	58,722	61,367
Total Assets	\$ 188,915	\$ 184,557

Pope, Evans and Robbins Incorporated

Liabilities (000's)			
Long-term debt, curr.	\$ 9,250	\$ 6,250	
Accts. payable	8,461	3,348	
Accrued payroll	4,051	2,700	
Other accruals	752	732	
Curr. Liabilities	\$ 22,514	\$ 13,030	
Long-term debt	146,837	178,247	
Deferred inc. taxes	8,181	—	
Redeem pref. stock	10,000	10,000	
+ Common stock	150	145	
Add. paid-in capital	14,893	14,425	
Retained earn. (deficit)	9,587	(8,043)	
Ex. of purch. price over value of Predecessor Company	(23,247)	(23,247)	
Total Liabilities & Shareholders' Equity	\$ 188,915	\$ 184,557	

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary			
%Income bef. Taxes to Sales	14.10	—	
%Net Income to Sales	7.29	—	
Sales to Inventories	11.10	4.87	
Working Capital	\$42,343,000	\$ 42,034,000	
Current Ratio	2.88	4.23	
Shareholders' Equity (Deficiency)	\$ 1,383,000	\$(16,720,000)	

Phillips-Van Heusen Corporation

1290 Avenue of the Americas
New York, New York 10104
(212) 541-5200

Officers: Seymour J. Phillips, chairman of the board; Lawrence S. Phillips, president; Robert F. Reilly, exec. vice president; Albert R. Bongiovanni, v.p., secretary & controller; Bert G. Cox, Walter C. Zambrovitz, Michael Frenkel, Bruce J. Klatsky, Murray Weinberg, v.p.'s; William J. Bloom, treasurer.

Directors: Seymour J. Phillips*, chairman; Shirley Goodman Brown, Bert G. Cox, David L. Holzman, Lawrence S. Phillips*, Robert F. Reilly*, William S. Scolnick, Charles J. Smith, Steven L. Osterweis, Alfred P. Slaner, Estelle Ellis, Ellis E. Meredith, Bruce J. Klatsky.

* Member of the Executive Committee.

Business Activities: Operates retail stores selling apparel and men's and women's apparel manufacturing companies.

Apparel Trademarks and/or Brand Names: Van Heusen Collection, Cricketer, Country Britches, Hennessy, Cacharel, Geoffrey Beene, Cricketer Woman, 417, Baracuta, Corum, Players, PGA Tours, V.H. Allyn St. George, Etienne Aigner, Alan Flusser, Baccarat, Profiles, Winterweights, Gear by Van Heusen.

Divisions and Subsidiaries:

Retail Division

Kennedy's
7 stores in Massachusetts and Rhode Island.

Hamburger's
12 stores in Maryland, Delaware and Pennsylvania.

Juster's
6 stores in Minnesota.

Harris & Frank
19 stores in California and Nevada.

Outlet Stores
89 stores in the East and Midwest.

Manufacturing Divisions:
The Van Heusen Group of Companies
Somerset Knitting Mills, Inc.
The Joseph & Feiss Company
PVH Somerset Company
Private Label Sportswear Group

All at:
1290 Avenue of Americas
New York, New York 10104

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: PVH

Sales and Earnings			
	Net Sales +	Net Income	
1986	\$ 550,428,164	\$ 15,935,344	
1985	590,787,183	15,297,966	
1984	505,885,420	17,262,224	
1983	454,975,342	8,757,340	
1982	431,134,876	7,376,886	
	No. of Com. Shares ‡	Earn. per Share +	
1986	6,146,475	\$ 2.54	
1985	6,092,475	2.44	
1984	6,056,870	2.94	
1983	5,651,876	1.54	
1982	5,581,678	1.27	

† Including operating revenues.

‡ Adjusted to reflect stock split.

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business (000's)			
	1986	1985	
Manufacturing	\$ 437,142	\$ 457,248	
Retail	113,286	133,539	
Total	\$ 550,428	\$ 590,787	

Common Stock			
	Cash Dividend +	Stock Dividend	Stock Split
1986	\$0.40	—	—
1985	0.40	—	—
1984	0.325	—	2-for-1
1983	0.30	—	—
1982	0.30	—	—

+ Adjusted to reflect stock split.

Common Stock Equity			
	Total Equity	Equity Per Share +	
1986	\$ 150,676,000	\$ 24.65	
1985	137,567,000	22.58	
1984	124,465,000	20.55	
1983	103,473,000	18.31	
1982	95,903,000	17.18	

+ Adjusted to reflect stock split.

Income Account *			
Year ended	1986	1985	
Net sales & rev.	\$ 550,428,164	\$ 590,787,183	
Cost of sales	396,041,467	425,930,436	
Expenses	114,934,174	129,099,827	
Other expense (income)	2,127,988	(1,323,236)	
Interest expense	7,937,191	10,593,190	
Income before taxes	\$ 29,387,344	\$ 26,486,966	
Income taxes	13,452,000	11,189,000	
Net Income	\$ 15,935,344	\$ 15,297,966	

* Included in Costs and Expenses, Depreciation and Amortization: \$4,962,733 in 1986 and \$4,922,571 in 1985.

Assets			
As of	1986	1985	
Cash	\$ 15,712,218	\$ 11,693,750	

Commercial paper	7,000,000	—
Receiv., net	67,161,494	85,328,459
*Inventories	105,254,063	132,717,082
Other assets	1,054,074	1,885,284
Curr. Assets	\$ 196,181,849	\$ 231,624,575
#Fixed assets	33,377,196	32,730,542
Leased prop. under cap. lease oblig.	6,436,870	6,956,439
Intangibles	3,290,215	3,307,808
Other assets	2,137,642	3,468,074
Total Assets	\$ 241,423,772	\$ 278,087,438

	Liabilities	
Note payable	\$ —	\$ 12,000,000
Long-term debt, curr.	619,214	861,282
Cap. lease oblig., curr.	691,214	505,419
Accts. payable	31,050,942	30,541,548
Accruals	27,003,316	30,516,659
Income taxes	2,925,751	7,969,986
Curr. Liabilities	\$ 82,291,107	\$ 82,394,894
Long-term debt	14,642,710	45,262,594
Cap. lease oblig.	5,595,777	6,211,709
Other liabilities	8,218,604	6,651,523
+ Common stock	6,146,475	6,092,475
Add. paid-in capital	35,979,116	35,585,200
Retained earnings	109,386,067	95,889,043
Total Liabilities & Shareholders' Equity	\$ 241,423,772	\$ 278,087,438

* At lower of cost or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary			
%Income bef. Taxes to Sales	5.34	4.48	
%Net Income to Sales	2.90	2.58	
%Net Income to Equity	10.58	11.12	
Debt to Equity	0.14	0.47	
Working Capital	\$133,890,742	\$149,229,681	
Current Ratio	3.15	2.81	
Shareholders' Equity	\$150,675,574	\$137,566,718	

Pope, Evans and Robbins Incorporated

49 West 37th Street
New York, New York 10018
(212) 921-4260

Officers: Joseph E. Robbins, chairman of the board & secretary; Harry Rabinowitz, president & treasurer.

Directors: Joseph E. Robbins, chairman; Julian L. Barnett, Isidore Sol Jaffe, Richard L. Moore, Harry Rabinowitz.

Business Activities: Designs, imports and distributes sweaters and other knit products. Operates retail stores engaged in the sale of fabrics, notions, and related products.

Trademarks and/or Brand Names: de rothchild, heidi, heidi kids, Lady DeRothchild, Laurel Femme

Plant Location(s): New York, New York; San Lorenzo, Puerto Rico.

Subsidiaries:

DeRothchild Knitwear, Inc.
Fabric Tree, Inc.

Transfer Agent(s):

Continental Stock Transfer and Trust Co.
72 Reade Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: PER

Sales and Earnings x			
	Net Sales +	Net Income	
1985	\$ 61,622,000	\$ (12,947,000)	
1984	31,343,000	1,149,000	
1983	—	7,828,000	
1982	—	10,326,000	
1981	—	4,456,000	

Pope, Evans and Robbins Incorporated

	No. of Com. Shares †	Earn. per Share ‡
1985	8,227,000	\$ —
1984	8,180,000	0.14
1983	8,184,000	0.96
1982	8,157,000	1.26
1981	5,946,000	0.75

(Loss)
× Prior to 1984 the Company was engaged in the protective fabrics and garments business only. In 1985 these businesses were discontinued, therefore net sales are omitted prior to 1984.

† Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 31,349,000	\$ 3.81
1984	44,263,000	5.38
1983	42,546,000	5.23
1982	35,928,000	4.41
1981	19,362,000	2.62

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 61,621,656	\$ 31,343,488
Cost of sales	47,962,021	21,729,894
Expenses	11,806,210	5,174,346
Interest expense	2,653,852	1,047,268
Other expenses	230,804	119,994
Inc. (loss) bef. taxes	\$ (1,031,131)	\$ 3,271,986
Income taxes (credit)	(531,500)	1,618,000
Inc. (loss), cont. oper.	\$ (499,631)	\$ 1,653,986
Loss - discont. oper.	(12,447,475)	(504,942)
Net Income (Loss)	\$ (12,947,106)	\$ 1,149,044

* Included in Costs and Expenses, Depreciation and Amortization: \$1,169,007 in 1985 and \$616,804 in 1984.

Assets

As of June 30	1985	1984
Cash	\$ 310,597	\$ 1,508,093
Accts. receiv., net	8,016,365	5,413,644
Refundable taxes	4,888,821	1,161,251
*Inventories	12,683,400	13,744,865
Prepaid expenses	482,071	467,263
Net assets-discont. oper.	11,691,281	47,437,740
Current Assets	\$ 38,072,535	\$ 69,732,856
Fixed assets	5,536,691	5,431,076
Notes receivable	18,558,946	1,704,395
Other assets & deferred charges	4,341,594	3,089,140
Intangibles	7,484,714	7,537,390
Net assets-disc. oper.	702,739	1,787,477
Total Assets	\$ 74,697,219	\$ 89,282,334

Liabilities

Notes payable	\$ 6,929,101	\$ 6,210,851
Long-term debt, curr.	117,175	60,371
Accts. payable	2,609,179	4,872,760
Accruals	1,565,395	1,884,355
Income taxes	30,438	214,308
Curr. Liabilities	\$ 11,251,288	\$ 13,242,645
Long-term debt	32,096,968	31,777,143
+ Common stock	839,959	839,377
Add. paid-in capital	21,597,678	21,564,737
Retained earnings	11,509,705	24,456,811
Treasury stock	(2,598,379)	(2,598,379)
Total Liabilities & Shareholders' Equity	\$ 74,697,219	\$ 89,282,334

* At lower of cost (FIFO) or market
Less accumulated depreciation
+ \$0.10 par value.

Statistical Summary

%Net Income to Equity	2.60
Sales to Inventories	4.86
Debt to Equity	1.25
Working Capital	\$26,821,247
Current Ratio	3.38
Shareholders' Equity	\$31,348,963
	\$44,262,546

PPG Industries, Inc.

One PPG Place
Pittsburgh, Pennsylvania 15272
(412) 434-3131

Officers: Vincent A. Sarni, chairman of the board & chief executive officer; Edward J. Slack, president & chief operating officer; Frank V. Breeze, vice chairman & chief administrative officer; Robert H. Mitchell, v.p.-finance; Charles P. Blahous, v.p.-environment, health & safety; Russell A. Eberly, v.p. & general counsel; Donald G. Griffin, v.p.-distribution & transportation; Francis B. O'Neil, v.p.; William R. Harris, sr. v.p.-International; Marco Wismer, v.p.-science & technology; Richard B. Parran, v.p.-employee relations; Raymond W. LeBoest, v.p.-purchasing; Edward L. Sproull, Jr., v.p.-tax administration; Richard M. Rompala, v.p.-corp. development; Thomas F. Hudak, controller; Lawrence M. Call, treasurer; Edward Mazeski, Jr., secretary.

Directors: Edmund C. Bovey, Frank V. Breeze, J. Earl Burrell, Douglas D. Danforth, Stanley C. Gault, James F. Junge, Stephen F. Keating, John W. Morrison, Robert W. Morse, Julio A. Torres, Vincent A. Sarni, Edward J. Slack, L. Stanton Williams, Harold A. McInnes.

Business Activities: Engaged in the production of coatings and resins, chemicals, flat glass, and fiber glass products, including yarn for textile manufacture, fibers and mats for reinforced plastic products, and Ardel reinforced plastic composites.

Textile Trademarks and/or Brand Names: Texo, L.E.N., Trianti, Feneshield, Ardel.

Fiber Glass Plant(s): Lexington & Shelby, N.C.

Divisions and Subsidiaries:

Glass Group
Coatings & Resin Group
Chemical Group

PPG Canada
Ontario, Canada

Boussois
France

Peintures Corona (98% owned)
France

Ampaspace (80% owned)
Cremona, Italy
Manufacture of aircraft transparencies

Vernante Pennitalia (80% owned)
Italy

PPG Industries (U.K.) Ltd.
Manufactures automotive and industrial coatings

Industrie Vernici Italiane, S.p.A.
Manufactures automotive and industrial coatings and resins

Asahi-Penn Chemical
Chiba, Japan

Pinturas Pittsburgh de Mexico (59% owned)
Tlalneptalla, Mexico

Pinturas Pittsburgh Iberica (60% owned)
Spain

PPG Industries Taiwan (55% owned)
Taichung, Taiwan

Wulfig
Wuppertal, West Germany

Jordan Chemical Company
Folcroft, Pennsylvania

Dangyu Industrial Company Ltd.
Pisan, Korea
Produces automotive coatings.

Transfer Agent(s):

Pittsburgh National Bank
Stock Transfer Department - 982
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): New York, Philadelphia, Pacific

Ticker Symbol: PPG

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	\$ 4,345,500	\$ 302,700
1984	4,242,200	302,600
1983	3,681,600	232,500
1982	3,295,500	155,100
1981	3,353,600	211,200

	No. of Com. Shares #	Earn. per Share #
1985	66,700,000	\$ 4.54
1984	69,900,000	4.33
1983	69,700,000	3.34
1982	68,800,000	2.25
1981	67,300,000	3.14

Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	\$1.64	—	—
1984	1.40	—	—
1983	1.23	—	2-for-1
1982	1.18	—	—
1981	1.16	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	\$ 1,705,300	\$ 25.56
1984	2,015,000	28.83
1983	1,846,000	26.41
1982	1,707,000	24.54
1981	1,628,400	23.95

‡ Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1985	1984
Net sales	\$ 4,345,500	\$ 4,242,200
Cost of sales	2,644,200	2,654,500
Expenses	611,600	546,500
Research & devel.	175,600	149,600
Depreciation	213,500	205,900
Interest expense	60,500	47,900
Misc. taxes	142,900	146,000
Share of earn. of eq. affil.	(14,900)	(12,200)
Other income	(75,300)	(55,600)
Other charges	48,100	32,700
Income before taxes	\$ 539,300	\$ 526,900
Income taxes	234,400	223,900
Minority interest	2,200	400
Net Income	\$ 302,700	\$ 302,600

Quality Mills, Incorporated

Assets (000's)		
As of Dec. 31	1985	1984
Cash & time deposits	\$ 13,100	\$ 26,700
Marketable securities	11,200	37,700
Receiv., net	764,600	739,500
*Inventories	527,600	463,700
Other assets	53,600	64,100
Current Assets	\$ 1,370,100	\$ 1,331,700
Investments	120,500	107,900
#Fixed assets	2,478,500	2,256,900
Other assets	114,700	100,200
Total Assets	\$ 4,083,800	\$ 3,796,700

Liabilities (000's)		
Short-term borrowings & long-term debt, curr.	\$ 220,500	\$ 151,400
Accts. payable & accruals	561,400	571,100
Income taxes	23,500	26,900
Oblig. under cap. leases	18,200	23,800
Curr. Liabilities	\$ 823,600	\$ 773,200
Long-term debt	935,000	436,700
Oblig. under cap. leases	48,300	52,300
Future inc. taxes	311,100	286,600
Accrued pensions	48,300	49,200
Maint. & repairs	78,900	72,300
Other liabilities	74,900	59,300
Minority interest	58,400	52,000
+ Common stock	344,500	343,400
Treasury stock	(560,800)	(31,500)
Retained earnings	2,009,300	1,816,700
Foreign currency translation	(87,700)	(113,500)
Total Liabilities & Shareholders' Equity	\$ 4,083,800	\$ 3,796,700

* At cost (LIFO) or at lower of cost or market.
Less accumulated depreciation.
+ \$1.66 1/2 par value.

Statistical Summary		
%Income bef. Taxes to Sales	12.41	12.42
%Net Income to Sales	6.96	7.13
%Net Income to Equity	17.75	15.02
Sales to Inventories	8.23	9.15
Debt to Equity	0.70	0.31
Working Capital	\$ 546,500,000	\$ 558,500,000
Current Ratio	1.66	1.72
Shareholders' Equity	\$1,705,300,000	\$2,015,100,000

ProGroup, Inc.

99 Tremont Street
Chattanooga, Tennessee 37405
(615) 267-5631

Officers: John M. Tucker, chairman of the board, president & chief exec. officer; Edgar M. Liendecker, v.p.; Alvin C. Ramsey, v.p.-manufacturing; Thomas A. Caldwell, secretary; Charles B. Cory, controller.

Directors: Robert H. Caldwell, Lewis W. Oehmig, Arnold D. Palmer, John B. Stout, John M. Tucker, George R. Wislar.

Business Activities: Manufactures and sells golf equipment and nylon sports apparel, including golf clubs, bags, luggage, gloves, rainwear and sports apparel.

Trademarks and/or Brand Names: Duckster, Arnold Palmer, First Flight, Densitize, Palmer Peerless, Hotze, James H. McClory, The Axiom.

Plant Locations: Cleveland and Chattanooga, Tenn.; Pocahontas, Ark.

Divisions and Subsidiaries:

Arnold Palmer Golf Company
99 Tremont Street
Chattanooga, Tennessee 37405

Duckster Sportswear Division
99 Tremont Street
Chattanooga, Tennessee 37405

PGC International, Inc. (DISC)
99 Tremont Street
Chattanooga, Tennessee 37405

Transfer Agent(s):

Third National Bank
Box 2844
Uptown Station
Nashville, Tennessee 37219

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PRGR (NASDAQ)

Sales and Earnings		
	Net Sales	Net Income
1985	\$ 25,803,000	\$ 702,000
1984	24,927,000	1,282,000
1983	21,755,000	1,493,000
1982	22,342,000	1,155,000
1981	23,102,000	1,023,000
	No. of Com. Shares	Earn. per Share †
1985	2,572,889	\$ 0.27
1984	2,551,389	0.48
1983	2,534,389	0.57
1982	2,540,189	0.44
1981	2,554,108	0.39

† Based on the monthly average number of common shares and common share equivalents outstanding.

Revenues By Line of Business		
	1985	1984
Golf equipment & accessories	\$ 20,722,000	\$ 21,315,000
Apparel	5,081,000	3,612,000
Total	\$ 25,803,000	\$ 24,927,000

Common Stock Equity		
	Total Equity	Equity Per Share
1985	\$ 13,159,000	\$ 5.11
1984	12,434,000	4.87
1983	11,132,000	4.39
1982	9,688,000	3.81
1981	8,572,000	3.36

Income Account *		
Year ended	10/28/85	9/29/84
Net sales	\$ 25,803,000	\$ 24,927,000
Other income	204,000	217,000
Total Income	\$ 26,007,000	\$ 25,144,000
Cost of sales	17,916,000	16,374,000
Expenses	6,532,000	6,039,000
Interest expense	250,000	150,000
Gain on sale of assets	—	(19,000)
Plant closing pension costs	—	203,000
Income before taxes	\$ 1,309,000	\$ 2,397,000
Income taxes	607,000	1,115,000
Net Income	\$ 702,000	\$ 1,282,000

* Included in Costs and Expenses, Depreciation and Amortization: \$340,000 in 1985 and \$293,000 in 1984.

Assets		
As of	10/28/85	9/29/84
Cash	\$ 574,000	\$ 274,000
Receiv., net	9,062,000	8,996,000
*Inventories	3,792,000	4,926,000
Prepaid expenses	66,000	658,000
Other	142,000	5,000

Allowance for doubtful accounts		
	(250,000)	(250,000)
Current Assets	\$ 14,086,000	\$ 14,609,000
#Fixed assets	1,726,000	1,898,000
Other assets	1,388,000	1,407,000
Total Assets	\$ 17,200,000	\$ 17,914,000

Liabilities		
Advances	\$ —	\$ 1,150,000
Long-term debt, curr.	15,000	13,000
Accts. payable	1,143,000	1,327,000
Accruals	1,178,000	1,318,000
Income taxes	904,000	880,000
Curr. Liabilities	\$ 3,240,000	\$ 4,688,000
Long-term debt	720,000	711,000
Defer. inc. taxes	81,000	81,000
+ Common stock	1,307,000	1,296,000
Add. paid-in capital	3,049,000	3,037,000
Retained earnings	8,921,000	8,219,000
Treasury stock	(118,000)	(118,000)
Total Liabilities & Shareholders' Equity	\$ 17,200,000	\$ 17,914,000

* At LIFO; apparel inventories at lower of average cost or market.
Less accumulated depreciation and amortization.
+ \$0.50 par value.

Statistical Summary		
%Income bef. Taxes to Sales	5.07	9.62
%Net Income to Sales	2.72	5.14
%Net Income to Equity	5.33	10.31
Sales to Inventories	6.80	5.06
Debt to Equity	0.06	0.06
Working Capital	\$10,846,000	\$ 9,921,000
Current Ratio	4.35	3.12
Shareholders' Equity	\$13,159,000	\$12,434,000

Quality Mills, Incorporated

P.O. Box 1107
Mount Airy, North Carolina 27030
(919) 786-6161

Officers: John E. Woltz, chairman of the board & chief exec. officer; Jack D. Grooms, president & treasurer; Howard O. Woltz, Jr., v.p. & general counsel; Jack A. Loftis, exec. v.p.-operations; William M. Glenn, secretary-controller; J. Elliott Woltz, Jr., v.p.-marketing; Kenneth L. James, v.p.-merchandising; W. Ronald Wagenseil, John S. Wunderlich, Kenneth J. Fleming, v.p.'s-sales; Ronald A. Ellis, v.p.-employee relations & administration; Joe C. Glover, v.p.-contract sales.

Directors: John E. Woltz, Howard O. Woltz, Jr., Jack A. Loftis, Jack D. Grooms, L. Kimsey Mann.

Business Activities: Manufactures and markets knit wearing apparel consisting of men's, ladies', children's and boys' knit sportswear and playwear. Also manufactures and markets a variety of knit fabrics to the apparel trade.

Trademarks and/or Brand Names: Trend, Tweens, Toddy Winks, Trend Sport, Huntley of York, and Cross Creek.

Plant Location(s): Mt. Airy, Carthage, N.C.; Hillsville, Va.

Transfer Agent(s):
Wachovia Bank and Trust Company, N.A.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Sales and Earnings		
	Net Sales	Net Income †
1985	\$ 44,459,985	\$ (799,417)
1984	48,641,010	1,476,134
1983	45,276,139	1,758,605
1982	40,063,398	4,760
1981	50,442,433	(5,031,239)

Quality Mills, Incorporated

	No. of Com. Shares +	Earn. per Share †‡
1985	1,331,778	\$ —
1984	1,288,378	1.11
1983	1,254,778	1.37
1982	1,227,578	0.01
1981	1,227,578	—

(Loss)

† Including extraordinary gains of \$473,000 (\$0.36 per share) in 1984 and \$836,000 (\$0.65 per share) in 1983.

+ Adjusted to reflect stock split.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	\$ 3,718,636	\$ 2.79
1984	4,411,890	3.42
1983	2,854,531	2.27
1982	1,034,001	0.84
1981	1,029,241	0.84

† Adjusted to reflect stock split.

Income Account *

Year ended	12/29/85	12/30/84
Net sales	\$ 44,459,985	\$ 48,641,010
Cost of sales	36,985,892	39,067,937
Expenses	6,388,328	6,683,035
Other income	(52,950)	(134,036)
Interest expense	1,938,132	2,039,964
Inc. (loss) bef. taxes	\$ (799,417)	\$ 984,110
Inc. taxes	—	473,000
Net Income (Loss)	\$ (799,417)	\$ 511,110
Extraordinary credit	—	473,000
Cum. effect of change in acctg.	—	492,024
Net Income (Loss) & extraord. credit	\$ (799,417)	\$ 1,476,134

* Included in Costs and Expenses. Depreciation: \$1,064,400 in 1985 and \$941,009 in 1984.

Assets

As of	12/29/85	12/30/84
Cash	\$ 163,004	\$ 173,642
*Inventories	10,238,100	11,871,761
Misc. receiv. on prepaid expenses	890,115	1,058,757
Current Assets	\$ 11,291,219	\$ 13,104,160
#Fixed assets	7,346,402	7,738,777
Other assets	339,602	324,955
Total Assets	\$ 18,977,223	\$ 21,167,892

Liabilities

Long-term debt, curr.	\$ 1,557,746	\$ 1,460,918
Due to factor	1,907,880	2,555,733
Accts. payable	3,847,411	3,480,144
Accruals	1,684,019	1,606,189
Curr. Liabilities	\$ 8,997,056	\$ 9,102,984
Long-term debt	5,914,500	7,138,062
Oblig. under capital lease	347,031	514,956
+ Common stock	1,331,778	1,288,378
Add. paid-in capital	1,939,274	1,876,511
Retained earnings	447,584	1,247,001
Total Liabilities & Shareholders' Equity	\$ 18,977,223	\$ 21,167,892

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary

%Income before Taxes to Sales	—	2.02
%Net Income to Sales	—	1.05
%Net Income to Equity	—	11.58
Sales to Inventories	4.34	4.10
Debt to Equity	2.10	2.07
Working Capital	\$2,294,163	\$4,001,176
Current Ratio	1.25	1.44
Shareholders' Equity	\$3,718,636	\$4,411,890

Rapid-American Corporation

888 Seventh Avenue
New York, New York 10106
(212) 621-4500

Officers: Meshulam Riklis, chairman of the board, president & chief executive officer; Peter Iorner, exec. v.p. & chief financial officer; Harold S. Divine, vice chairman of the board; Daniel J. Manella, Charles L. Jarvie, Stephen L. Pistner, exec. v.p.'s; Paul Weiner, v.p. & treasurer; Stuart H. Aarons, secretary; Michael J. Magenheimer, controller & asst. treasurer; Marcia Riklis, v.p.

Directors: Meshulam Riklis*, chairman; Mona R. Ackerman*, Harold S. Divine, Ira Riklis*, Marcia Riklis*, Abraham G. Levin, Leonard C. Lane, Daniel J. Manella, Dan Palmton, Leo D. Stone, Helen H. Updike, Seymour Kleinman, Arie Genger, Charles L. Jarvie, Stephen L. Pistner, Peter Thorner.

* Member of the Executive Committee.

Business Activities: The Company is engaged through its subsidiary, McCrory Corporation, in retail merchandising, through its subsidiary, Schenley Industries, Inc., in the production, importation, and sale of alcoholic beverages under various brand names, and through its subsidiary, McGregor Corporation, in the manufacture, distribution, and sale of a variety of consumer products and the licensing of several trademarks.

In the areas of textiles and apparel, Rapid-American, through the Judy-Tootique Inc. division of its HRT subsidiary, designs and manufactures moderate-priced women's dresses under the labels "Jody," "J.T. Dresses," "New Raves," and "Alison Peters."

Through its McGregor Corporation subsidiary, the Company manufactures moderate-priced tailored suits and sport coats sold under the "Botany 500," "Coat Tails," "Botany," "Worsted-Tex," "Fashion Park," "Stein Bloch," "Broadstreet's," "Cartier," and "Bert Pulitzer" trademarks and under private labels; manufactures men's women's and children's athletic shirts, sport shirts, T-shirts and bottoms sold under the "Anvil," "Wonderknight," "Scoreboard," "Bert Pulitzer," "Botany," "Botany 500," "Billy the Kid," and "Bill Blass" trademarks and under private labels; manufactures women's nightwear, gowns and robes sold under the "Gilead" and "Gillies" trademarks and under private labels.

Trademarks and/or Brand Names: Botany, Botany 500, Coat Tails, Worsted-Tex, Fashion Park, Stein Bloch, Broadstreet's, Cartier, Bert Pulitzer, Anvil, Wonderknight, Scoreboard, Billy the Kid, Bill Blass, Gilead, Gillies, McGregor, Faberge, Brut, Babe.

Subsidiaries:

McCrory Corporation
Schenley Industries, Inc.
McGregor Corp.
Rapid Typographers Company, Inc.
Rapid Distribution Service, Inc.
View Top Corporation
Schenley Medical Imaging, Inc.

Stock Exchange(s): * New York, Cincinnati, Pacific

* As of January 31, 1981, Rapid-American became a privately held company. The Company's debentures are publicly traded on these exchanges.

Sales and Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1986	\$ 1,897,701	\$ 85,140
1985	1,751,088	(8,356)

1984	1,442,492	\$6,444
1983	1,597,246	46,499
1982	1,637,600	6,955

	No. of Com. Shares	Earn. per Share †‡
1986	1,461,364	\$ —
1985	1,461,364	—
1984	2,435,607	22.84
1983	2,435,607	18.71
1982	2,435,607	2.03

(Loss)

+ Of continuing operations only, includes leased department sales.

† Including extraordinary gains of \$2,960,000 (\$1.22 per share) in 1984, \$13,834,000 (\$5.68 per share) in 1983 and extraordinary losses of \$4,003,000 in 1986 and \$18,240,000 in 1985.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenue By Line of Business

	1986	1985
Alcoholic beverages	\$ 401,000	\$ 416,000
Retail merchandising	993,000	927,000
Consumer prods.	459,000	408,000
Others	45,000	—
Total	\$ 1,898,000	\$ 1,751,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	\$1.57	—	—
1985	2.60	—	—
1984	0.75	—	—
1983	1.60	—	—
1982	1.00	—	—

Income Account

Year ended Jan. 31	1986	1985
Net sales	\$ 1,897,701	\$ 1,751,088
Other income	135,015	68,051
Total Income	\$ 2,032,716	\$ 1,819,139
Cost of sales	1,231,661	1,138,265
Expenses	535,713	477,048
Depreciation & amortization	35,324	29,151
Interest expense	163,876	180,473
Minority interest	665	3,642
Inc. (loss) bef. taxes	\$ 65,477	\$ (9,440)
Income taxes (credit)	27,026	(4,761)
Inc. (loss)-cont. oper.	\$ 38,451	\$ (4,679)
Inc.-discont. oper.	50,692	14,563
Net Income	\$ 89,143	\$ 9,884
Extraord. items	(4,003)	(18,240)
Net Income & extraord. loss	\$ 85,140	\$ (8,356)

Assets

As of Jan. 31	1986	1985
Cash	\$ 20,722	\$ 26,131
Marketable securities	70,020	462,324
Accts. receiv., net	165,568	141,509
*Inventories	887,747	434,514
Other receivables	180,167	56,602
Assets held for sale to stockholders	34,565	208,133
Current Assets	\$ 1,363,789	\$ 1,329,213
Invest. & advances	19,890	33,262
#Fixed assets	428,520	344,118
Other assets	450,058	415,688
Total Assets	\$ 2,262,257	\$ 2,122,281

Raymark Corporation

Liabilities (000's)

Long-term debt, curr.	\$ 57,958	\$ 76,721
Cap. lease oblig.	7,421	7,792
Short-term debt	121,300	24,227
Accts. payable	405,037	134,693
Accruals	297,947	184,998
Income taxes	5,325	15,752
Curr. Liabilities	\$ 894,988	\$ 444,183
Long-term debt	964,885	1,318,013
Cap. lease oblig.	85,817	66,576
Minority interest	15,104	58,289
Deferred inc. taxes	95,213	120,440
Other liabilities	96,282	38,334
+ Preferred stock	1	1
+ Common stock	24	24
Add. paid-in capital	169,524	167,670
Retained earnings	80,149	79,635
Treasury stock	(110,000)	(110,000)
For curr. trans. adjust.	(4,920)	(4,363)
Due from stockholders	(24,810)	(56,521)
Total Liabilities & Shareholders' Equity	\$ 2,262,257	\$ 2,122,281

* At LIFO cost.
Less accumulated depreciation and amortization.
+ \$0.01 par value.

Statistical Summary

% Net Income to Equity	77.42	—
Sales to Inventories	2.14	4.03
Working Capital	\$468,801,000	\$885,030,000
Current Ratio	1.52	2.99
Shareholders' Equity	\$109,968,000	\$ 76,446,000

Raven Industries, Inc.

205 E. 6th Street
Sioux Falls, South Dakota 57117
(605) 336-2750

Mailing address:

P.O. Box 1007
Sioux Falls, South Dakota 57117

Officers: Conrad J. Hoigaard, chairman of the board; David A. Christensen, president & chief executive officer; Gary L. Conradi, v.p.-corp. services; James A. Winker, v.p.-Applied Technology Div.; Ronald M. Moquist, exec. v.p.; Joseph J. Kaliszewski, secretary; Arnold J. Thue, v.p.-finance.

Directors: John H. Burg, David A. Christensen, Albert C. Gage, John C. Griffin, Conrad J. Hoigaard, W. Ray Laird, Jr., Robert G. May, John C. Skoglund.

Trademarks and/or Brand Names: Comfy, Comfy Ski, Swing West, Trails West, AFRC, Adver Blimp, Rally, Rulco, Canvex, Gore-Tex.

Plant Location(s): Clear Lake, De Smet, Huron, Howard, Salem, Parkston, Freeman, Beresford, Sioux Falls, South Dakota; Albertville, Alabama; St. Louis, Missouri.

Divisions:

Electronic Systems Division

Products include batch weighing, control and inventory systems; turbine helicopter auto-restart units, audio amplifiers, industrial annunciators, turbine engine speed controls, turbine engine test sets, FAA radio beacon monitor alarms, telemetry systems, U.S. Government electronic assemblies, electronic agricultural and industrial products and printed circuit assembly services.

Sportswear Division

Products include the "Swing West" line of ski clothing, "Raven" line of snowmobile suits and general outerwear, "Comfy" down insulated western garments, "AFRC" cross country ski clothing, "Gore-Tex" military and hunting clothes, as well as private label garments.

Plastics Division

Products include fiberglass and polyethylene tanks for agricultural, industrial and water conditioning use and custom fabricated fiberglass parts and designs for water and sewage treatment markets, and the construction and machinery markets.

Applied Technology Division

Products and services include plastic tarpaulins, RUFCO and CANVEX polyethylene sheetings, hot air sport balloons, high altitude research balloons, heavy load lifting balloons, decelerators (parachutes), contract engineering and research, hot air blimps, and ADVERBLIMPS helium inflatables.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Norwest Trust Company, New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: RAV

Sales and Earnings

	Net Sales	Net Income
1986	\$ 41,899,124	\$ 1,610,693
1985	44,581,925	2,608,899
1984	38,983,678	1,956,456
1983	31,211,096	1,089,856
1982	33,466,507	1,173,894

	No. of Com Shares †	Earn. per Share ‡
1986	1,562,199	\$ 1.02
1985	1,548,039	1.66
1984	1,529,192	1.25
1983	1,508,522	0.73
1982	1,494,093	0.79

† Adjusted to reflect stock dividends.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1986	1985
Plastic division	\$ 7,604,000	\$ 9,398,000
Sportswear division	12,373,000	14,619,000
Applied technology division	13,539,000	11,409,000
Electronic systems division	8,383,000	9,156,000
Total	\$ 41,899,000	\$ 44,582,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	\$0.042	—	—
1985	0.375	—	—
1984	0.32	5%	—
1983	0.29	5% & 5%	—
1982	0.30	5%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	\$ 15,658,863	\$ 10.02
1985	14,666,736	9.47
1984	12,591,367	8.23
1983	11,047,825	7.32
1982	10,323,614	6.91

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	\$ 41,899,124	\$ 44,581,925
Cost of sales	32,361,004	33,179,985
Expenses	7,019,657	6,833,558
Interest expense	378,334	418,134
Other income	(272,564)	(348,651)
Income before taxes	\$ 2,412,693	\$ 4,498,899
Income taxes	802,000	1,890,000
Net Income	\$ 1,610,693	\$ 2,608,899

* Included in Costs and Expenses, Depreciation: \$1,104,071 in 1986 and \$936,106 in 1985.

Assets

As of Jan. 31	1986	1985
Cash	\$ 3,815,989	\$ 1,213,281
Marketable securities	—	2,156,693
Accts. receiv., net	5,906,338	6,785,189
*Inventories	7,231,087	8,254,998
Prepaid expenses	708,338	802,926
Refundable inc. taxes	270,239	—
Current Assets	\$ 17,931,991	\$ 19,213,087
#Fixed assets	5,046,986	4,564,254
Other assets	919,675	945,385
Total Assets	\$ 23,898,652	\$ 24,722,726

Liabilities

Long-term debt, curr.	\$ 635,205	\$ 577,686
Accts. Payable	1,881,568	2,837,521
Accruals	2,361,079	3,346,800
Customer advances	299,246	199,506
Curr. Liabilities	\$ 5,177,098	\$ 6,961,513
Long-term debt	2,741,691	2,954,477
Deferred income taxes	321,000	140,000
+ Common stock	1,562,199	1,548,039
Add. paid-in capital	2,546,393	2,526,447
Retained earnings	11,550,271	10,592,250
Total Liabilities & Shareholders' Equity	\$ 23,898,652	\$ 24,722,726

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	5.76	10.09
% Net Income to Sales	3.84	5.85
% Net Income to Equity	10.29	17.79
Sales to Inventories	5.79	5.40
Debt to Equity	0.22	0.24
Working Capital	\$12,754,893	\$12,251,574
Current Ratio	3.46	2.76
Shareholders' Equity	\$15,658,863	\$14,666,736

Raymark Corporation

(26.0% owned by Echlin, Inc.)

100 Oakview Drive
Trumbull, Connecticut 06611
(203) 371-0101

Officers: David A. Wingate, chairman of the board; Craig R. Smith, president; Albert A. Canosa, v.p. & controller; Robert L. Cleveland, Jr., v.p.; James J. Ryan, v.p.-human resources; Harry D. Day, v.p.-secretary & gen. counsel; John D. Kutzler, v.p. & treasurer.

Directors: Theodore W. Brooks*, Gilbert C. Mott*, John G. Rohrbach, Richard A. Stark*, D. Lee Tobler, David A. Wingate*, Anthony E. Mirti, Ealan J. Wingate, Craig R. Smith, Donald P. Miller.

* Member of the Executive Committee.

Business Activities: Manufactures and markets energy absorption and transmission products, fastening systems and custom-engineered materials. These products are utilized in the automotive, farm implement, truck and bus, earthmoving, construction, appliance, hardware, mining, petrochemical, and energy industries.

Plant Locations: Marshville, North Carolina; Stratford, Connecticut; Manheim, Pennsylvania; Crawfordsville, Indiana; Petersburg, Ontario; Radevormwald, West Germany; Hokkaido, Japan.

Textile Division:

Dry Clutch and Brake Unit

Manufactures and markets molded and woven clutch facings, conventional and non-asbestos yarns and sintered buttons.

Raymark Corporation

to the domestic and international equipment and replacement markets of the automotive, truck and bus industries.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Chase Manhattan Plaza
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: RAY

Sales and Earnings

	Net Sales ‡	Net Income
1985	\$ 112,419,000	\$ (18,171,000)
1984	129,152,000	(41,931,000)
1983	110,326,000	(11,127,000)
1982	130,071,000	(37,150,000)
1981	163,698,000	7,754,000

No. of Com. Shares + Earn. per Share +

1985	2,860,806	\$ —
1984	2,860,806	—
1983	2,758,606	—
1982	2,696,860	—
1981	2,569,220	3.02

(Loss)

‡ Of continuing operations only.

+ Based on the average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.30	—	—
1981	0.85	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 3,633,000	\$ 1.27
1984	20,024,000	7.00
1983	62,349,000	22.60
1982	71,833,000	26.64
1981	110,220,000	42.90

Income Account *

Year ended	12/29/85	12/30/84
Net sales	\$ 112,419	\$ 129,152
Cost of sales	98,315	102,692
Expenses	22,765	24,457
Asbestos rel. exp.	1,127	1,616
Other expense (income)	4,718	(638)
Interest expense	3,237	4,051
Loss before taxes	\$ (17,773)	\$ (3,026)
Income taxes	428	340
Loss - cont. oper.	\$ (18,171)	\$ (3,366)
Loss - discount oper.	—	(38,565)
Net Loss	\$ (18,171)	\$ (41,931)

* Included in Costs and Expenses, Depreciation: \$5,239,000 in 1985 and \$5,736,000 in 1984.

Assets

As of	12/29/85	12/30/84
Cash	\$ 2,515	\$ 5,418
Restricted cash	2,559	—
Accts. receiv., net	14,952	14,348
*Inventories	22,021	32,710
Assets of discount oper.	—	3,338
Other	2,931	5,877
Current Assets	\$ 44,978	\$ 61,691
*Fixed assets	30,965	37,050
Other assets	7,581	7,539
Total Assets	\$ 83,524	\$ 106,280

Liabilities (000's)

Long-term debt, curr.	\$ 5,233	\$ 5,437
Accts. payable	8,039	15,317
Accruals	26,249	27,930
Curr. Liabilities	\$ 39,521	\$ 48,684
Long-term debt	23,316	24,513
Other liab.	17,054	13,059
+ Common stock	35,760	35,760
Add. paid-in capital	19,099	19,099
Retained earnings (deficit)	(50,944)	(32,773)
Cum. trans. adjust.	(282)	(2,062)

Total Liabilities & Shareholders' Equity \$ 83,524 \$ 106,280

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$12.50 par value

Statistical Summary

Sales to Inventories	5.11	3.95
Working Capital	\$5,457,000	\$13,007,000
Current Ratio	1.14	1.27
Shareholders' Equity	\$3,633,000	\$20,024,000

Richton International Corporation

1345 Avenue of the Americas
New York, New York 10105
(212) 765-6480

Officers: Franc M. Ricciardi, chairman of the board, president & chief executive officer; John C. Farnick, sr. v.p. & asst. to the pres.; Cornelius F. Griffin, v.p. & chief financial officer; Nathan H. Gates, secretary.

Directors: Philippe Gutzwiller, Franc M. Ricciardi, Thomas J. Hib, Stanley J. Leifer, Gilbert E. Mathews, Fred R. Sullivan.

Business Activities: The Company is organized into two operating groups: Personal Leather Accessories and Fashion Jewelry. The accessories group designs, manufactures and markets personal leather goods such as wallets, purses and key cases under the Bond Street and Oscar de la Renta labels. The Jewelry Group designs and manufactures a full range of fashion jewelry.

Trademarks and/or Brand Names: Oscar de la Renta, Bond Street, Coro, Marvella, Vendome, Corocraft, Dicine.

Plant Locations: (Jewelry & Accessories Groups) New York, New York; Toronto, Canada; Crawley, England.

Divisions:

Accessories Group:

Bond Street Ltd.
30 East 33rd Street
New York, New York 10016
(212) 684-1279

Jewelry Group

Coro (Canada) Inc.
186 Bartley Drive
Toronto, Ontario M4A 1E4, Canada

Richton International Limited
Fleming Way
Crawley, West Sussex RH10 2 NL, England

Transfer Agent(s):

First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RIHL (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income ‡
1985	\$ 35,876,000	\$ 4,637,000
1984	34,695,000	(88,000)

1983	30,771,000	(11,777,000)
1982	30,712,000	(1,954,000)
1981	34,232,000	762,000

No. of Com. Shares # Earn. per Share ‡

1985	1,880,000	\$ 2.47
1984	1,785,000	—
1983	1,783,000	—
1982	1,786,000	1.09
1981	1,792,000	0.43

(Loss)

+ Of continuing operations only.

Based on the average number of common shares and common share equivalents outstanding.

‡ Including extraordinary credits of \$3,108,000 (\$1.65 per share) in 1985, \$2,752,000 (\$1.54 per share) in 1982 and \$245,000 (\$0.14 per share) in 1981.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	\$ 7,885,000	\$ 4.19
1984	3,997,000	2.24
1983	4,635,000	2.60
1982	16,990,000	9.51
1981	15,921,000	8.88

Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended April 30	1985	1984
Net sales	\$ 35,876,000	\$ 34,695,000
Cost of sales	20,217,000	19,425,000
Expenses	12,603,000	13,826,000
Interest expense	808,000	970,000
Inc. bef. taxes	\$ 2,248,000	\$ 474,000
Income taxes	1,150,000	732,000
Inc. (loss)-cont. oper.	\$ 1,098,000	\$ (258,000)
Inc. -discount oper.	431,000	170,000
Net Income (Loss)	\$ 1,529,000	\$ (88,000)
Extraordinary gain	3,108,000	—
Net Income (Loss) & extraordinary gain	\$ 4,637,000	\$ (88,000)

* Included in Costs and Expenses, Depreciation: \$428,000 in 1985 and \$545,000 in 1984.

Assets

As of April 30	1985	1984
Cash	\$ 44,000	\$ 91,000
Short-term invest.	243,000	1,194,000
Receiv., net	6,513,000	5,923,000
*Inventories	8,194,000	8,321,000
Prepaid expenses	297,000	151,000
Current Assets	\$ 15,291,000	\$ 15,680,000
*Fixed assets	1,803,000	2,198,000
Other assets	542,000	68,000
Intangibles	1,015,000	1,015,000
Assets avail. for sale	—	448,000
Total Assets	\$ 18,651,000	\$ 19,409,000

Liabilities

Borrowings from factor	\$ 860,000	\$ 1,253,000
Long-term debt, curr.	424,000	1,019,000
Accts. payable	1,586,000	2,351,000
Accrued payroll	657,000	888,000
Other accruals	2,633,000	2,082,000
Curr. Liabilities	\$ 6,160,000	\$ 7,593,000
Long-term debt	4,345,000	7,510,000
Other liabilities	261,000	309,000
+ Common stock	183,000	180,000
Add. paid-in capital	11,722,000	11,700,000
Retained earnings (deficit)	(1,241,000)	(5,878,000)
For cur. trans. adjust.	(2,779,000)	(2,005,000)

Total Liabilities & Shareholders' Equity	\$ 18,651,000	\$ 19,409,000
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* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.10 par value.

Statistical Summary		
%Net Income to Equity	19.39	—
Sales to Inventories	4.38	4.17
Debt to Equity	0.71	2.45
Working Capital	\$9,131,000	\$8,087,000
Current Ratio	2.48	2.07
Shareholders' Equity	\$7,885,000	\$3,997,000

Ruddick Corporation

2000 First Union Plaza
Charlotte, North Carolina 28282
(704) 372-5404

Officers: R. Stuart Dickson, chairman of the board; Alan T. Dickson, president; Richard N. Brigden, vice president; Herman B. McManaway, v.p.; John L. Chanon, treasurer; D.B. Williford, asst. treasurer & secretary; James O. Stephens, asst. secretary; Mickey F. Frye, asst. treasurer.

Directors: R. Stuart Dickson, chairman, Alan T. Dickson, Thomas M. Belk, Hugh L. McColl, Jr., James E. S. Hynes, Roddey Dowd, Jord H. Jordan, Jr., George R. Smith, John C. Hutchens, E.C. Wall, Jr.

Business Activities: A holding company, operating through its subsidiaries in the production of sales yarns and industrial sewing threads (American & Efrid Mills), production of business forms (Jordan Graphics, Inc.), management of supermarkets in four southeastern states (Harris-Teeter Super Markets, Inc.), and investment of venture capital (Ruddick Investment Company).

Subsidiaries:

American & Efrid Mills, Inc.
Mount Holly, North Carolina 28120
(704) 827-4311

Primarily a manufacturer of industrial sewing thread. In addition, produces yarn made from both natural and synthetic fibers. A&E operates 10 plants in North Carolina.

Harris-Teeter Super Markets, Inc.
P.O. Box 33129
Charlotte, North Carolina 28233
(704) 567-3000

Operates 109 supermarkets in North and South Carolina, Tennessee and Virginia.

Jordan Graphics, Inc.
P.O. Box 668306
Charlotte, North Carolina 28266
(704) 394-2121

Produces and distributes a broad line of business forms and pressure sensitive labels.

Ruddick Investment Company (RIC)
2000 First Union Plaza
Charlotte, North Carolina 28282
(704) 372-5404
Venture capital investments.

Transfer Agent(s):

Wachovia Bank & Trust Co., N.A.
Winston-Salem, North Carolina

Stock Exchange(s): American

Ticker Symbol: RDK

Sales and Earnings		
	Net Sales +	Net Income
1985	\$ 881,841,000	\$ 12,559,000
1984	730,060,000	13,221,000
1983	541,327,000	10,605,000
1982	521,769,000	9,113,000
1981	523,238,000	8,726,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,423,040	\$ 2.60
1984	3,953,575	2.98

1983	3,444,435	2.64
1982	3,321,091	2.27
1981	2,442,537	2.17

+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business (000's)		
	1985	1984
American & Efrid Mills	\$ 99,492	\$ 106,432
Harris-Teeter Super Markets	741,727	587,080
Jordan Graphics, Inc.	40,622	36,548
Total	\$ 881,841	\$ 730,060

Common Stock		
	Cash Dividend	Stock Dividend
1985	\$0.77	—
1984	0.86	—
1983	0.77	—
1982	0.69	—
1981	0.69	—

Common Stock Equity		
	Total Equity ‡	Equity Per Share #
1985	\$ 108,165,000	\$ 24.45
1984	99,277,000	25.11
1983	75,881,000	22.03
1982	67,618,000	20.36
1981	60,643,000	24.83

‡ After allowing for preference stock at par values.
Based on the average number of shares outstanding.

Income Account *		
Year ended	9/29/85	10/30/84
Net sales	\$ 881,841,000	\$ 730,060,000
Cost of sales	699,109,000	575,722,000
Expenses	155,985,000	128,749,000
Interest expense	4,446,000	4,183,000
Earn. of unconsol. subsid.	(1,363,000)	(2,610,000)
Other expense	1,637,000	1,557,000
Income before taxes	\$ 22,027,000	\$ 22,459,000
Income taxes	9,468,000	9,238,000
Net Income	\$ 12,559,000	\$ 13,221,000

* Included in Costs and Expenses. Depreciation: \$14,230,000 in 1985 and \$11,101,000 in 1984.

Assets		
As of	9/29/85	10/30/84
Cash	\$ 5,308,000	\$ 4,831,000
Accts. receiv., net	24,300,000	23,108,000
*Inventories	68,502,000	69,474,000
Other assets	3,013,000	4,149,000
Current Assets	\$ 101,123,000	\$ 101,562,000
#Fixed assets	120,970,000	110,878,000
Investments & other assets	15,637,000	14,874,000
Total Assets	\$ 237,730,000	\$ 227,314,000

Liabilities		
	9/29/85	10/30/84
Long-term debt, curr.	\$ 5,231,000	\$ 4,814,000
Oblig. under capital lease	790,000	698,000
Accts. payable	39,082,000	40,772,000
Income taxes	1,257,000	2,714,000
Accruals	17,861,000	20,327,000
Current Liabilities	\$ 64,221,000	\$ 69,325,000
Long-term debt	41,481,000	37,778,000
Oblig. under capital lease	3,396,000	3,924,000
Deferred inc. taxes	18,590,000	14,772,000
+ Preference stock	1,877,000	2,238,000

+ + Common stock	4,447,000	4,510,000
Add. paid-in capital	18,073,000	18,421,000
Retained earnings	85,645,000	76,721,000
Treasury stock	—	(375,000)

Total Liabilities & Shareholders' Equity	\$ 237,730,000	\$ 227,314,000
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* At lower of cost (LIFO & FIFO) or market.
Less accumulated depreciation.
+ \$5 par value.
+ + \$1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	2.50	3.08
%Net Income to Sales	1.42	1.81
%Net Income to Equity	11.41	13.02
Sales to Inventories	12.87	10.51
Debt to Equity	0.46	0.47
Working Capital	\$ 36,902,000	\$ 32,237,000
Current Ratio	1.57	1.47
Shareholders' Equity	\$110,042,000	\$101,515,000

Russ Togs, Inc.

1411 Broadway
New York, New York 10018
(212) 354-0700

Officers: Eli L. Rouso, president; Irving L. Rouso, Herman Saporta, Joel S. Grey, exec. v.p.'s; Charles deVie, v.p.; Mortimer F. Zimmerman, v.p. & treasurer; Louis Shantzer, controller & secretary; Richard J. Lewis, asst. controller.

Directors: Joel S. Grey, H. Emanuel Klimpt*, Harvey Rosensweig, Eli L. Rouso*, Irving L. Rouso*, Robert S. Rubin, Herman Saporta*, George Schor.

* Member of the Executive Committee

Business Activities: Manufactures moderately priced sportswear for the entire family; manufactures dresswear and pants suits for women and girls, in regular and unusual sizes.

Trademarks and/or Brand Names: Russ, Russ Girl, RT II, Crazy Horse, Vicky Vaughn, Toni Todd, Lady Laura, Russ Teen, Motivation, Sutton, Bud Berma, Russ Petites, Russie, Ms. Russ, Crazy Horse Girl, Victoria, Rawlings, Brut, Bud Berma, Ashley Reid, Sutton.

Plant Location(s): Long Island City, N.Y.; Aurora, Mattoon, Mt. Carmel, Ill.; Clinton, Ia.; Paterson, N.J.; Hazleton, Pa.; Albany, Burkesville, Jamestown, Ky.; Byrdstown, Livingston, Sparta, Tenn.

Divisions:

Russ Division
1411 Broadway
New York, New York 10018

Manufactures, designs and markets sportswear separates and coordinates for misses under the brand names of "Russ," "Russ Petites," "Ms. Russ."

Russ Girl Division
1411 Broadway
New York, New York 10018

Manufactures children's sportswear for the 6 through 15 age group, under the brand name "Russ Girl," "Russie," "Russ Teen" and "RG New York."

R. & M. Kaufmann Division
1601 E. Mountain Street
Aurora, Illinois

A dresswear and pant suits manufacturer whose brand names include "Vicky Vaughn" for juniors, "Vicky Petite" for junior petites, "Toni Todd" for misses, "Kelli Kaye" and "Lady Laura" in half sizes; manufactures a better priced line of dresses under the Victoria label.

Sutton Shirt Companies
350 Fifth Avenue
New York, New York
(212) 279-4815

Manufactures popularly priced men's and boys' woven and knit dress shirts, sport shirts and sweaters, under Sutton, Bud Berma, and under licenses to Rawlings and Brut.

Russ Togs, Inc.

Crazy Horse Division
525 7th Avenue
New York, New York 10018

Manufactures and imports contemporary sportswear for the junior or young miss under the brand name "Crazy Horse," and for girls under "Crazy Horse Girl."

New Attitude
1411 Broadway
New York, New York 10018

Russ Financial Division

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: RTS

Sales and Earnings

	Net Sales ‡	Net Income ‡
1986	\$ 276,815,000	\$ 10,986,000
1985	273,524,000	11,113,000
1984	250,805,000	12,114,000
1983	226,108,000	10,062,000
1982	227,841,000	10,998,000
	No. of Com. Shares #	Earn. per Share ‡
1986	5,126,000	\$ 2.13
1985	5,121,000	2.09
1984	5,121,000	2.29
1983	5,121,000	1.89
1982	5,125,000	2.07

‡ Of continuing operations.

‡ Including extraordinary gain of \$654,000 (\$0.13 per share) in 1982.

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1986	\$0.76	—	—
1985	0.76	—	—
1984	0.73 1/2	—	3-for-2
1983	0.66 1/2	—	—
1982	0.66 1/2	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share ‡
1986	\$ 85,930,000	\$ 17.09
1985	81,250,000	15.86
1984	74,355,000	14.52
1983	66,435,000	12.97
1982	60,228,000	11.75

‡ After allowing for preferred stock at liquidation preference value of \$40 per share.

† Adjusted to reflect stock split.

Income Account *

Year ended	2/1/86	2/2/85
Net sales	\$ 276,815,000	\$ 273,524,000
Other income	3,117,000	4,167,000
Total income	\$ 279,932,000	\$ 277,691,000
Cost of sales	203,977,000	203,874,000
Expenses	49,420,000	50,290,000
Interest expense	1,448,000	933,000
Income before taxes	\$ 25,087,000	\$ 22,594,000
Income taxes	12,059,000	10,490,000
Inc. - cont. oper.	\$ 13,028,000	\$ 12,104,000
Loss - discont. oper.	(2,042,000)	(991,000)
Net Income	\$ 10,986,000	\$ 11,113,000

* Included in Cost and Expenses, Depreciation and Amortization: \$1,938,000 in 1985 and \$1,735,000 in 1984.

Assets

As of	2/1/86	2/2/85
Cash	\$ 13,529,000	\$ 15,663,000
Marketable securities	4,769,000	1,010,000
Accts. receiv., net	41,618,000	48,416,000
*Inventories	59,186,000	51,740,000
Prepaid expenses & other assets	5,790,000	5,697,000
Current Assets	\$ 124,892,000	\$ 122,526,000
Investments	—	675,000
#Fixed assets	12,720,000	13,663,000
Other assets	3,647,000	4,813,000
Total Assets	\$ 141,259,000	\$ 141,677,000

Liabilities

Long-term debt, curr.	\$ 780,000	\$ 1,010,000
Bankers acceptances payable	9,352,000	10,259,000
Accts. payable	12,218,000	17,576,000
Accruals	18,594,000	1,523,000
Income taxes	3,655,000	1,056,000
Curr. Liabilities	\$ 44,599,000	\$ 47,424,000
Long-term debt	1,613,000	2,331,000
Deferred inc. taxes	1,512,000	2,169,000
+ Preferred stock	248,000	277,000
+ + Common stock	5,153,000	5,124,000
Add. paid-in capital	1,242,000	1,242,000
Retained earnings	89,806,000	83,110,000
Treasury stock	(2,914,000)	—
Total Liabilities & Shareholders' Equity	\$ 141,259,000	\$ 141,677,000

* At lower of cost (FIFO) or market which represents estimated realizable value.

Less accumulated depreciation and amortization.

+ \$1 par value. Series \$1.90.

+ + \$1 par value.

Statistical Summary

%Net Income to Equity	11.75	12.38
Sales to Inventories	4.68	5.29
Debt to Equity	0.13	0.15
Working Capital	\$80,293,000	\$75,102,000
Current Ratio	2.80	2.58
Shareholders' Equity	\$93,535,000	\$89,753,000

Russell Corporation

P.O. Box 272
Alexander City, Alabama 35010
(205) 234-4251

Officers: Eugene C. Gwaltney, chairman of the board & chief exec. officer; Dwight L. Carlisle, Jr., pres. & chief operating officer; Finis Morgan, exec. v.p.-finance; H. Scott Howell, exec. v.p.-apparel group; William P. Dickson, Jr., v.p.-personnel & industrial relations; James D. Nabors, secretary & controller; James D. Peoples, v.p.-administration; J. Franklin Foy, v.p.-dyeing & finishing; Gerald D. McGill, v.p.-Greige fabric manufacturing; John C. Adams, president-knit apparel division; Frank K. Hall, Jr., president-athletic division; Donald F. Logan, v.p.-sales & marketing; fabrics division; J. T. Taunton, v.p.-operations; fabrics division; Marvin Seals, III, v.p.-apparel marketing; Ward Wilson, v.p.-apparel merchandising; Henry C. Willis, v.p.-apparel.

Directors: Frank K. Hall, Jr., Dwight L. Carlisle, Jr., George W. Hardy, H. Scott Howell, Emil Hess, Eugene C. Gwaltney*, Glenn Ireland, II, Finis Morgan*, Crawford T. Johnson, III, Benjamin Russell, John Russell Thomas, T. Harvey Mathis.

* Member of the Executive Committee.

Business Activities: Engaged in the manufacture of athletic clothing, with a range of uniforms for people of all ages and for all major sports; produces basic knit leisurewear and a line of knit and woven fabrics.

Plant Location(s): Alexander City, Sylacauga, Dadeville, LaFayette, Montgomery, Ashland, Hanover, Alabama; Marianna, Florida; Cumming, Habersham, Georgia.

Divisions:

Athletic Division
Designs and markets high quality athletic team uniforms.

Knit Apparel Division

Designs and markets a wide variety of apparel, including styled fleeced sportswear, such as shirts, pullovers and jackets, lightweight sportswear for men, women, and boys, and children's sleepwear.

Fabrics Division

Designs and markets quality woven fabrics of cotton and blends of cotton and man-made fibers in a wide variety of patterns, colors and construction for sale primarily to manufacturers of men's, women's and children's lightweight apparel, and for the home sewing market.

Subsidiaries:

Habersham Mills
Habersham, Georgia 30544

Russello, S.A.

Costa Rica

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

First Alabama Bank of Montgomery, N.A.
Commerce Street
Montgomery, Alabama 36104

Stock Exchange(s): New York, Pacific

Ticker Symbol: RML

Sales and Earnings

	Net Sales	Net Income
1985*	\$ 385,432,731	\$ 29,612,221
1984	353,024,665	27,912,768
1983	318,692,726	26,679,661
1982	275,319,222	21,191,071
1981	270,425,624	24,037,079
	No. of Com. Shares #	Earn. per Share ‡
1985*	19,786,327	\$ 1.48
1984	19,738,152	1.40
1983	19,667,917	1.35
1982	18,675,107	1.12
1981	18,524,384	1.28

* 53 weeks.

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Adjusted to reflect stock splits.

Common Stock:

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$0.30	—	—
1984	0.30	—	—
1983	0.283	—	8-for-5
1982	0.256	—	—
1981	0.231	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 219,733,070	\$ 11.11
1984	195,909,591	9.93
1983	173,303,215	8.81
1982	140,005,423	7.50
1981	122,852,507	6.63

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	1-4-86	12-29-84
Net sales	\$ 385,432,731	\$ 353,024,665
Cost of sales	268,806,152	246,058,938
Expense	61,237,721	53,445,000
Interest expense	3,800,947	5,357,000

Salem Carpet Mills, Inc.

Other expense (income)	(363,310)	175,065
Income before taxes	\$ 51,951,221	\$ 47,987,768
Income taxes	22,339,000	20,075,000
Net Income	\$ 29,612,221	\$ 27,912,768

* Included in Costs and Expenses, Depreciation and Amortization: \$19,954,856 in 1985 and \$17,579,546 in 1984.

Assets		
As of	1/4/86	12/29/84
Cash	\$ 954,670	\$ 987,127
Temporary investments	32,527,064	3,100,000
Accts. receiv., net	69,014,424	67,206,222
*Inventories	63,457,312	71,724,687
Prepaid expenses	659,933	540,717
Current Assets	\$ 166,613,403	\$ 143,558,753
#Fixed assets	154,205,702	143,482,590
Other assets	1,341,612	2,231,680
Total Assets	\$ 322,160,717	\$ 289,273,023

Liabilities		
Notes payable	\$ —	\$ 15,990,000
Long-term debt, curr.	3,902,544	3,773,992
Accts. payable & accruals	23,496,588	22,530,859
Income taxes	3,674,503	424,243
Curr. Liabilities	\$ 31,073,635	\$ 42,719,094
Long-term debt	41,848,779	25,770,149
Deferred income	1,223,950	1,376,289
Deferred inc. taxes	28,281,283	23,497,900
+ Common stock	200,508	200,508
Add. paid-in capital	26,355,169	26,322,819
Retained earnings	194,489,533	170,806,106
Treasury stock	(1,312,140)	(1,419,842)
Total Liabilities & Shareholders' Equity	\$ 322,160,717	\$ 289,273,023

* At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary		
%Income bef. Taxes		
to Sales	13.48	13.59
%Net Income to Sales	7.68	7.91
%Net Income to Equity	13.48	14.25
Sales to Inventories	6.07	4.92
Debt to Equity	0.21	0.15
Working Capital	\$135,539,768	\$100,839,659
Current Ratio	5.36	3.36
Shareholders' Equity	\$219,733,070	\$195,909,591

Salant Corporation

(Operating under Chapter 11 of the United States Bankruptcy Code)

1290 Avenue of the Americas
New York, New York 10104
(212) 603-1600

Officers: John S. Rodgers, chairman of the board, secretary & general counsel; Ray W. Williams, president & chief executive officer; Martin F. Tynan, v.p.-finance, treasurer & controller.

Directors: John S. Rodgers*, chairman; Walter J. Fried, John W. Mettler, III, Robert S. Ruwicz, Marvin Schiller.

* Member of the Executive Committee.

Business Activities: Engaged in the design, manufacture and sale of apparel for men, boys, girls and children. Its principal products are slacks, jeans and outerwear, such as ski jackets and parkas, suits and sport jackets, children's pajamas, shirts and utility wear.

Trademarks and/or Brand Names: Thomson, J.R. Tipton, SportThomson, TACO, Timber King, Funny Girl, Strawberry Shortcake, Care Bears, The Get Along Gang, Princeton.

Plant Locations: Trumann, Arkansas; Gibson, Harlem, Martinez, Millen, Thomson, Georgia; Vivian, Louisiana; Lexington

(2), Obion, Somerville (2), Tennessee; Carrizo Springs, Del Rio, Eagle Pass, Texas; Hanover & Toronto, Ontario, Canada; Coahuila (2), Mexico.

Divisions and Subsidiaries:

Obion Company
1333 Broadway
New York, New York 10018

Monarch Clothing Company
1290 Avenue of the Americas
New York, New York 10104

Salant Canada Limited
2301 Keele Street
Toronto, Canada M6M 3Z9

Texas Apparel Company
4150 Pinnacle Street
El Paso, Texas 79902

Thomson Company
1290 Avenue of the Americas
New York, New York 10104

Carrizo Manufacturing Co., S.A. de C.V.
Mexico

Acquisition(s):

Clantexport Inc.
New York

Distributes a process used to produce a permanent crease in cotton, wool and blended apparel.

Transfer Agent(s):

The Chase Manhattan Bank
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: SLT

Sales and Earnings		
	Net Sales +	Net Income
1985	\$ 144,466,000	\$ (8,084,000)
1984	198,771,000	(21,240,000)
1983*	174,830,000	1,147,000
1982	205,867,000	4,547,000
1981	210,939,000	(6,508,000)
	No. of Com. Shares	Earn. per Share ‡
1985	3,308,779	\$ —
1984	3,308,779	—
1983*	3,263,579	0.35
1982	3,244,079	1.40
1981	3,218,879	—

(Loss)

* 53 weeks.

+ Of continuing operations only.

‡ Based on the weighted average number of shares outstanding.

Common Stock		
	Cash Dividend	Stock Dividend
1985	\$ —	—
1984	0.30	—
1983	0.40	—
1982	0.30	—
1981	0.30	—

Common Stock Equity		
	Total Equity	Equity Per Share
1985	\$ 16,972,000	\$ 5.13
1984	24,993,000	7.55
1983	47,209,000	14.47
1982	47,206,000	14.55
1981	43,549,000	13.53

Income Account *		
Year ended	11/30/85	12/1/84
Net sales	\$ 144,466,000	\$ 198,771,000

Cost of sales	119,018,000	169,459,000
Expenses	23,305,000	34,003,000
Interest expense	1,608,000	5,227,000
Prov. for plant clos.	6,600,000	11,431,000
Priority adm. exp.	1,907,000	—

Loss before taxes	\$ (7,972,000)	\$ (21,349,000)
Income taxes (credit)	112,000	(2,350,000)

Loss - cont. oper.	\$ (8,084,000)	\$ (18,999,000)
Loss - discont. oper.	—	(2,241,000)

Net Loss	\$ (8,084,000)	\$ (21,240,000)
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* Included in Costs and Expenses, Depreciation and Amortization: \$1,853,000 in 1985 and \$2,188,000 in 1984.

Assets		
As of	11/30/85	12/1/84
Cash & short-term invest.	\$ 18,341,000	\$ 3,042,000
Accts. receiv., net	22,262,000	32,154,000
*Inventories	34,684,000	46,602,000
Prepaid expenses & other assets	1,474,000	1,024,000
Inc. tax ref. rec.	—	2,450,000
Collateralized assets	2,220,000	7,381,000
Current Assets	\$ 78,981,000	\$ 92,653,000
#Fixed assets	14,083,000	17,564,000
Other assets	56,000	222,000
Total Assets	\$ 93,120,000	\$ 110,439,000

Liabilities		
Notes payable	\$ 214,000	\$ 11,279,000
Long-term debt, curr.	—	3,103,000
Accts. payable	1,389,000	20,436,000
Accruals	6,502,000	10,349,000
Other taxes	658,000	940,000
Reserv. for plant clos.	1,170,000	4,961,000
Liab. def. - Chap. XI	818,000	—
Collateralized notes pay.	—	6,604,000
Curr. Liabilities	\$ 10,751,000	\$ 57,672,000
Long-term debt	—	21,261,000
Deferred liab.	189,000	6,513,000
Liab. def. - Chap. XI	65,208,000	—
+ Common stock	3,309,000	3,309,000
Add. paid-in capital	13,308,000	13,149,000
Retained earnings	726,000	8,810,000
Curr. trans. adjust.	(371,000)	(275,000)
Total Liabilities & Shareholders' Equity	\$ 93,120,000	\$ 110,439,000

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary		
Sales to Inventories	4.17	4.27
Debt to Equity	0.01	1.43
Working Capital	\$68,230,000	\$34,981,000
Current Ratio	7.35	1.61
Shareholders' Equity	\$16,972,000	\$24,993,000

Salem Carpet Mills, Inc.

NCNB Plaza, Suite 1100
Winston-Salem, North Carolina 27101
(919) 727-1200

Officers: W. Douglas Foster, chairman & chief executive officer; Douglas A. Cummins, president & chief operating officer; E.A. Myers, Jr., sr. v.p.-Eastern Division; J. Terris Hagan, sr. v.p.; John C. Logue, sr. v.p.-marketing; Floyd W. Kyzer, v.p.-Western Division; Thomas F. Lanier, sr. v.p., chief financial officer & secretary; Jack Haselwander, sr. v.p.-manufacturing; Ollie F. McDaniel, v.p.-product development; Reid D. Lookabill, corporate controller; Taylor M. Moore, v.p.-administration; Lane R. Walsh, v.p.-Southwest Division; Richard Jensen, v.p.-Midwest Division; G. Daniel Cowart, v.p.-Central Division; Ernest E. Ferrell, Jr., dir. of credit & asst. treasurer; Kim R. Holm, v.p.-manufacturing; Timothy O. Toole, v.p.-national accounts; Brent D. Triplett, v.p.-Southeast Division; Jack W. Hatcher, v.p.-human resources; Charles W. Wood, v.p.-merchandising.

Salem Carpet Mills, Inc.

Directors: W. Douglas Foster, A.O. Foster, W.N. Hailey, James S. Dockery, Jr., Douglas A. Cummins, Thomas F. Lanier, Richard R. Allen, Charles A. Tucker.

Business Activities: Engaged in the manufacture and sale of tufted carpet. The products are marketed through Salem Carpet Mills, Inc., Winston Carpet Corporation and Majestic Carpet Mills.

Trademarks and/or Brand Names: Salem, Winston, Majestic.

Plant Locations: Ringgold, Dalton, Chickamauga, Lafayette, Ga.; South Pittsburg, Tenn.; Trenton, S.C.

Divisions:

Majestic Carpet Mills
P.O. Box 220
Ringgold, Georgia 30736
(404) 935-2241

Winston Carpet Corporation
P.O. Box 220
Ringgold, Georgia 30736
(404) 935-2241

Ashley Carpet Division
P.O. Box 220
Ringgold, Georgia 30736
(800) 223-9995

Transfer Agent(s):

Dominion Trust Company
P.O. Box 13327
Roanoke, Virginia 24040

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLCR (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 276,381,000	\$ 5,915,000
1984	259,688,000	3,868,000
1983	250,756,000	4,312,000
1982	206,513,000	975,000
1981	204,403,000	(1,616,000)
	No. of Com. Shares +	Earn. per Share +
1985	7,923,199	\$ 0.75
1984	7,854,175	0.49
1983	7,829,175	0.59
1982	7,172,432	0.14
1981	7,172,432	—

(Loss)

+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 39,702,000	\$ 5.01
1984	33,622,000	4.28
1983	29,684,000	3.79
1982	21,727,000	3.03
1981	20,752,000	2.89

‡ Based on the average number of shares outstanding.

Income Account

Year ended	12/28/85	12/29/84
Net sales	\$ 276,381,000	\$ 259,688,000
Cost of sales	217,170,000	209,758,000
Expenses	39,449,000	33,727,000
Depreciation & amortization	3,780,000	4,121,000
Interest expense	5,941,000	6,579,000
Income before taxes	\$ 10,041,000	\$ 5,503,000
Income taxes	4,126,000	1,635,000
Net Income	\$ 5,915,000	\$ 3,868,000

Assets

As of	12/28/85	12/29/84
Cash	\$ 75,000	\$ 185,000
Accts. receiv., net	14,125,000	12,878,000
*Inventories	40,328,000	31,958,000
Prepaid expenses	1,254,000	844,000
Deferred inc. taxes	1,021,000	876,000
Curr. Assets	\$ 56,803,000	\$ 46,741,000
#Fixed assets	27,501,000	24,359,000
Other assets	915,000	824,000
Total Assets	\$ 85,219,000	\$ 71,924,000
	Liabilities	
Long-term debt, curr.	\$ 2,408,000	\$ 2,426,000
Accts. payable	22,711,000	15,226,000
Accruals	2,965,000	2,809,000
Accrued payroll	2,061,000	1,060,000
Reserve for losses on factored accts. rev.	1,285,000	1,232,000
Inc. taxes payable	971,000	1,334,000
Curr. Liabilities	\$ 32,401,000	\$ 24,087,000
Long-term debt	11,225,000	12,902,000
Deferred inc. taxes	1,891,000	1,313,000
+ Common stock	7,923,000	7,854,000
Add. paid-in capital	3,129,000	3,033,000
Retained earnings	28,650,000	22,735,000
Total Liabilities & Shareholders' Equity	\$ 85,219,000	\$ 71,924,000

* At lower of cost (LIFO or FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value

Statistical Summary

%Income bef. Taxes to Sales	3.63	2.12
%Net Income to Sales	2.14	1.49
%Net Income to Equity	14.90	11.50
Sales to Inventories	6.85	8.13
Debt to Equity	0.34	0.46
Working Capital	\$24,402,000	\$22,654,000
Current Ratio	1.75	1.94
Shareholders' Equity	\$39,702,000	\$33,622,000

Sanmark-Stardust Inc.

145 Madison Avenue
New York, New York 10016
(212) 684-3400

Officers: Mark M. David, chairman of the board, chief exec. officer & president; Saul Pomerantz, v.p., secretary & principal finance officer; Marvin Rose, exec. v.p.; Helen Samuels, treasurer; Gil Holtz, dir.-marketing.

Directors: Mark M. David, chairman; Harold B. Pomerantz, Saul Pomerantz, John J. Ross, Marvin Rosen, Helen Samuels.

Business Activities: Engaged in the design, manufacture and sale of a diversified line of women's popular priced sleepwear, daywear, leisurewear and robes. Products include pajamas, nightgowns, babydolls, night shirts, dusters, shifts, sundresses, rompers, short sets, beachwear, peignoir ensembles, robes, leisurewear and panties.

Trademarks and/or Brand Names: Pam Undies, PLAY-MATE, Anne Leslie, Stardust.

Plant Location(s): Cresson, Petersburg, Pennsylvania; Hazlehurst, Glennville, Claxton, Georgia; Lebanon, Virginia.

Divisions and Subsidiaries:

Anne Leslie Division
Manufactures and distributes robes.

Claxton Manufacturing Company Inc.
183 Madison Avenue
New York, New York
Manufactures and distributes ladies' panties under the trademark "Pam Undies."

Petersburg Manufacturing Corp.
Petersburg, Pennsylvania

Transfer Agent(s):

Harris Trust New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: SMK

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 52,029,742	\$ 2,716,210
1984	43,464,358	2,248,949
1983	32,161,700	2,197,150
1982	27,813,025	2,745,204
1981	27,101,089	918,608
	No. of Com. Shares ‡	Earn. per Share ‡
1985	6,207,117	\$ 0.44
1984	6,170,728	0.36
1983	6,139,813	0.36
1982	N.A.	0.45
1981	N.A.	0.15

N.A. - Not Available.

† Including extraordinary gains of \$407,500 (\$0.07 per share) in 1983, \$1,264,300 (\$0.21 per share) in 1982 and \$422,500 (\$0.07 per share) in 1981.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 17,252,467	\$ 2.78
1984	14,536,257	2.36
1983	11,922,933	1.94
1982	9,743,273	—
1981	6,998,069	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	—
1984	—	10%	—

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 52,029,742	\$ 43,464,358
Cost of sales	37,982,581	30,897,667
Expenses	8,057,203	7,703,055
Interest expense	925,823	554,465
Income before taxes	\$ 5,064,135	\$ 4,309,171
Income taxes	2,347,925	2,167,886
Minority share of subsid. loss	—	(107,664)
Net Income	\$ 2,716,210	\$ 2,248,949

* Included in Costs and Expenses, Depreciation and Amortization: \$641,863 in 1985 and \$472,790 in 1984.

Assets

As of June 30	1985	1984
Cash	\$ 634,760	\$ 694,221
Cash-construc. fund	1,000,000	—
Accts. receiv., net	7,031,258	4,639,275
*Inventories	19,651,489	17,050,572
Prepaid expenses	570,895	19,012
Current Assets	\$ 28,888,402	\$ 22,403,080
#Fixed assets	7,676,670	6,568,796
Other assets	231,398	94,137
Total Assets	\$ 36,796,470	\$ 29,066,013
	Liabilities	
Notes payable	\$ 5,015,731	\$ 1,472,000

Sara Lee Corporation

Long-term debt, curr.	843,196	441,225
Accrs. payable	5,274,676	5,836,902
Accruals	1,336,369	1,437,140
Emp. stock owner. plan	414,489	1,000,000
Income taxes	178,259	133,742

Cur. Liabilities	\$ 13,062,720	\$ 10,321,009
Long-term debt	6,053,214	3,947,040
Minority interest	—	19,638
Deferred inc. taxes	428,069	242,069
+ Common stock	62,071	56,429
Add. paid-in capital	7,384,445	4,919,027
Retained earnings	9,823,441	9,579,291
Treasury stock	(17,490)	(17,490)

Total Liabilities & Shareholders' Equity	\$ 36,796,470	\$ 29,066,013
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* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.73	9.91
%Net Income to Sales	5.22	5.17
%Net Income to Equity	15.74	15.47
Sales to Inventories	2.65	2.55
Debt to Equity	0.69	0.40
Working Capital	\$15,825,682	\$12,082,071
Current Ratio	2.21	2.17
Shareholders' Equity	\$17,252,467	\$14,536,257

Sara Lee Corporation

(formerly Consolidated Foods Corporation)

Three First National Plaza
Chicago, Illinois 60602
(312) 726-2600

Officers: John H. Bryan Jr., chairman of the board & chief exec. officer; Robert E. Elbertson, president & chief operating officer; John B. McKinnon, exec. v.p.; Michael E. Murphy, exec. v.p. & chief financial and administrative officer; David E. Harrold, sr. v.p.-business planning & development; Leo L. Contois, sr. v.p.-human resources; Paul Fulton, P. Frederick Kahn, George W. Bryan, Richard G. Rademacher, C. Steven McMillan, Andrew E. Weidener, senior v.p.'s; Gordon H. Newman, sr. v.p., secretary & general counsel; Daniel J. Brennan, v.p.-taxes & insurance; John H. Morris, Jr., Philip R. Currier, Douglas E. Pease, Leslie W. Riley, Jr., Michael H. Dennos, William D. Hardison, Jr., Gary Bernegger, Joseph F. Neely, v.p.'s; Robert L. Lauer, v.p.-corporate affairs; William F. Cronin, v.p.-corporate growth & development; William T. White, Jr., v.p.-admin.; James R. Carlson, v.p.-corp. dev.; Vincent H. Swoyer, v.p.-corp. systems; Dennis W. Hagele, assistant controller; Mark J. McCarville, v.p. & treasurer; Jo Ann D. Burkholder, Thomas H. Gorden, William D. Irlie, Charles Y. Lackey, William S. Lipsman, Ronald L. Scherubel, assistant secretaries; Floyd G. Hoffman, asst. secretary & associate gen. counsel; Stephen G. Worthley, Miles R. Greer, asst. treasurers.

Directors: Roy L. Ash*, John H. Bryan*, Jr. John B. McKinnon, Robert E. Elbertson*, John T. Fey*, Carl A. Gerstaecker*, James L. Ketelsen, Gualtherus Krajenhoff, Joan D. Manley, Beatrice C. Mayer, Paul W. McCracken, J. Dean Muncaster*, Michael E. Murphy, R. Roy Pearce, Richard L. Thomas, Willie D. Davis, John E. Swearingen, Leo van Dongen.

* Member of the Executive Committee.

Business Activities: Consumer Personal Products-hosiery, knitwear, women's swimwear, intimate apparel, gloves, cosmetics, personal and household care products.

Beverages - coffee, tea, and soft drinks.

Consumer Foods - fresh and processed meats, frozen baked goods, potatoes, confections, candy, canned fruits and vegetables, personal care products, toys, refined sugar.

Foodservice Distribution - food and supplies for volume feeding operations.

Consumer Direct Sales - home cleaning appliances, housewares and personal care products.

Trademarks and/or Brand Names: Hanes, Underalls, Slenderalls, Fitting Pretty, Hanes Too!, Hanes Alive, Just My Size, Silk Reflections, Bill Blass, Showtoons, Today's Girl, L'eggs, L'eggs Colors, Sheer Energy, Sheer Elegance, Hanes Printables, L'erin, Bali, WonderBra, Dicit, A-OK, Ce Soir, Something Else, Aris, Isotoner, Sirena, Wearabouts.

Divisions and Subsidiaries:

Consumer Personal Products
Hanes Hosiery
Winston-Salem, North Carolina
Women's hosiery products

Hanes Printables
Winston-Salem, North Carolina

L'eggs Products
Winston-Salem, North Carolina
Women's hosiery products

Hanes Knitwear
Winston-Salem, North Carolina
Men's and boys' underwear

Bali Company
Winston-Salem, North Carolina
Brassieres

Canadelle, Inc.
Montreal, Quebec, Canada
Foundation garments

Aris Isotoner, Inc.
New York, New York
Dress and casual gloves

Sirena, Inc.
South El Monte, California
Women's swimwear and beachwear

Hanes Printables
Winston-Salem, North Carolina

Nicholas Kiwi
Clayton, Australia

Beverages:
Douwe Egberts B.V. (65% owned)
Utrecht, Holland
Shasta Beverages
Hayward, California
Superior Coffee Co.
Bensenville, Illinois

Consumer Foods:
Kahn's and Company
Cincinnati, Ohio
Bryan Foods
West Point, Mississippi
Hillshire Farm
New London, Wisconsin

Rudy's Farm
Nashville, Tennessee

Gallo Salame
San Francisco, California

Kitchens of Sara Lee
Deerfield, Illinois

Chef Pierre, Inc.
Traverse City, Michigan

Popsicle Industries
Englewood, New Jersey

Hollywood Brands
Centralia, Illinois

Ets. Lardenois
Hermes, France

Intradal NV
Amersfoort, Holland

Jonker Fris B.V.
Heusden A.D. Maas, Holland

Union Sugar
San Francisco, California

Hi-Brand Foods
Peachtree, Georgia

Standard Meat Co.
Fort Worth, Texas

Jimmy Dean Meats
Dallas, Texas

Peck Meat Packing
Milwaukee, Wisconsin

R.B. Rice
Lee's Summit, Missouri

Smoky Hollow Foods
Little Rock, Arkansas

Food Service Distribution:
PYA Monarch, Inc.
Greenville, South Carolina

Booth Fisheries Corporation
Chicago, Illinois

Consumer Direct Sales:
Electrolux Corporation
Stamford, Connecticut

The Fuller Brush Company
Great Bend, Kansas

Lyon's Restaurants
Foster City, California

Transfer Agent(s):
Sara Lee Corporation
Chicago, Illinois

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam

Ticker Symbol: SLE

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	\$ 8,117,206	\$ 206,312
1984	7,000,310	188,441
1983	6,572,298	171,255
1982*	6,039,276	156,737
1981	5,614,052	140,278

	No. of Com. Shares #	Earn. Per Share #
1985	55,371,000	\$ 3.61
1984	56,636,000	3.25
1983	59,254,000	2.87
1982*	56,910,000	2.70
1981	57,953,000	2.34

* 53 weeks.
+ Of continuing operations only.
Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business (000's)

	1985	1984
Consumer foods	\$ 2,615,000	\$ 1,896,000
Foodservice distribution	1,484,000	1,363,000
Beverages	1,453,000	1,440,000
Consumer Personal Products	1,640,000	1,446,000
Consumer direct sales	1,039,000	962,000
Intersegment sales	(114,000)	(107,000)
Total	\$ 8,117,000	\$ 7,000,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$1.405	—	—
1984	1.265	—	2-for-1

Sara Lee Corporation

1983	1.135	—	—
1982	1.033	—	—
1981	0.933	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	\$ 991,045,000	\$ 18.52
1984	956,908,000	17.32
1983	935,016,000	16.20
1982	905,573,000‡	15.34
1981	843,744,000‡	14.52

Adjusted to reflect stock split.

‡ After allowing for preferred stock at involuntary liquidation value.

Income Account *

Year ended	6/29/85	6/30/84
Net sales	\$ 8,117,206	\$ 7,000,310
Cost of sales	5,604,008	4,730,787
Expenses	2,119,113	1,924,851
Interest expense	46,014	23,145
Income before taxes	\$ 348,071	\$ 321,527
Income taxes	139,133	126,031
Minority interest	2,626	7,055
Net Income	\$ 206,312	\$ 188,441

* Included in Costs and Expenses. Depreciation: \$135,023,000 in 1985 and \$125,058,000 in 1984.

Assets

As of	6/29/85	6/30/84
Cash, invest., & market secur.	\$ 104,196	\$ 142,001
Accts. receiv., net	583,824	580,909
*Inventories	882,956	863,302
Other curr. assets	36,433	50,091
Current Assets	\$ 1,607,359	\$ 1,636,303
Invest. in Sara Lee Credit Corp.	35,113	57,498
Trademarks	175,641	35,284
#Fixed assets	946,289	837,880
Intangibles	451,392	254,792
Total Assets	\$ 3,215,794	\$ 2,821,757

Liabilities

	6/29/85	6/30/84
Notes payable	\$ 163,879	\$ 113,671
Long-term debt, curr.	18,862	17,543
Accts. payable & accruals	1,027,954	926,328
Deferred inc. taxes	20,499	6,982
Cap. lease oblig., curr.	2,562	2,953
Curr. Liabilities	\$ 1,233,756	\$ 1,067,477
Long-term debt	441,909	336,101
Long-term oblig., capital leases	22,004	23,229
Minority interest	23,220	20,582
Deferred inc. tax	307,211	258,787
Other liabilities	121,649	83,673
+ Preferred stock	75,000	75,000
+ + Common stock	79,730	79,730
Add paid-in capital	—	3,169
Retained earnings	1,184,623	1,061,772
Foreign curr. trans.	(92,642)	(76,558)
Treasury stock	(180,666)	(111,205)
Total Liabilities & Shareholders' Equity	\$ 3,215,794	\$ 2,821,757

* At lower of cost (primarily FIFO) or market.

Less accumulated depreciation.

+ No par value; cumulative, convertible, adjustable.

+ + \$1.33 1/2 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.29	4.59
%Net Income to Sales	2.54	2.69
%Net Income to Equity	20.82	19.69
Sales to Inventories	9.19	8.11
Debt to Equity	0.66	0.52
Working Capital	\$373,603,000	\$568,826,000
Current Ratio	1.30	1.53
Shareholders' Equity	\$991,045,000	\$956,908,000

Shaw Industries, Inc.

P.O. Drawer 2128
616 East Walnut Avenue
Dalton, Georgia 30720
(404) 278-3812

Officers: J.C. Shaw, chairman of the board; Robert E. Shaw, president & chief exec. officer; William C. Lusk, Jr., sr. v.p. & treasurer; W. Norris Little, sr. v.p.-operations; Warren M. Sims, Jr., v.p.-administration; Vance D. Bell, v.p.-marketing; James D. Miller, v.p.-research & technology; Douglas H. Hoskins, controller; Robert R. Harlin, secretary.

Directors: J.C. Shaw*, chairman, Robert E. Shaw*, W. Norris Little, William C. Lusk, Jr., Woodrow W. Greene*, Robert R. Harlin*, William H. B. Hamill*, William Cheney*, Samuel W. Lambert, III, Dakin B. Ferris, Clifford M. Kirtland, Jr.

* Member of the Executive Committee.

Business Activities: Manufactures, designs and sells tufted carpeting and carpet yarn.

Trademarks and/or Brand Names: Philadelphia, Magee Carpets.

Plant Locations: Dalton, Fitzgerald, Cartersville and Calhoun, Georgia; Stevenson and Valley Head, Alabama; Decatur, Tenn.

Divisions:

Philadelphia Carpets Division
Magee Division
Private Label Division

Transfer Agent(s):

The Citizens & Southern National Bank
Atlanta, Georgia

Stock Exchange(s):

New York, Pacific

Ticker Symbol:

SHX

Sales and Earnings

	Net Sales ‡	Net Income
1985	\$ 519,472,000	\$ 25,881,000
1984	454,198,000	22,909,000
1983	301,776,000	9,951,000
1982	232,039,000	1,353,000
1981	250,584,000	8,421,000

No. of Com. Shares #

1985	8,524,654	\$ 3.04
1984	8,482,157	2.70
1983	6,991,623	1.42
1982	6,791,441	0.20
1981	6,791,441	1.24

‡ Includes service revenues.

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	\$0.55	—	—
1984	0.469	—	4-for-3
1983	0.15	—	—
1982	0.225	—	—
1981	0.244	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	\$ 122,662,000	\$ 14.39
1984	101,936,000	11.91
1983	73,036,000	9.03
1982	47,629,000	7.01
1981	47,804,000	7.04

Adjusted to reflect stock split.

Income Account *

Year ended	6/25/85	6/30/84
Sales & revenues	\$ 519,472,000	\$ 454,198,000
Cost of sales	416,626,000	364,455,000
Expenses	54,520,000	43,383,000
Oper. profit	\$ 52,326,000	\$ 46,360,000
Other expense	184,000	382,000
Total	\$ 52,142,000	\$ 45,978,000
Interest expense	5,501,000	4,901,000
Income bef. taxes	\$ 46,641,000	\$ 41,077,000
Income taxes	20,760,000	18,168,000
Net Income	\$ 25,881,000	\$ 22,909,000

* Included in Costs and Expenses. Depreciation: \$16,075,000 in 1985 and \$11,375,000 in 1984.

Assets

As of	6/25/85	6/30/84
Cash	\$ 4,075,000	\$ 2,036,000
Temp. cash invest.	—	1,917,000
Accts. receiv., net	71,960,000	65,577,000
*Inventories	73,390,000	65,969,000
Prepaid expenses	576,000	366,000
Current Assets	\$ 150,001,000	\$ 135,865,000
#Fixed assets	83,796,000	79,512,000
Other assets	2,318,000	1,607,000
Total Assets	\$ 236,115,000	\$ 216,984,000

Liabilities

Notes payable	\$ —	\$ 13,000,000
Long-term debt, curr.	5,124,000	4,357,000
Accts. payable	33,474,000	23,006,000
Accruals	9,556,000	9,061,000
Accrued inc. taxes	5,389,000	5,487,000
Current Liabilities	\$ 53,543,000	\$ 54,911,000
Long-term debt	51,284,000	52,194,000
Deferred inc. taxes	8,626,000	7,943,000
+ Common stock	9,696,000	9,696,000
Add. paid-in capital	42,569,000	42,569,000
Retained earnings	72,959,000	51,769,000
Treasury stock	(2,562,000)	(2,098,000)
Total Liabilities & Shareholders' Equity	\$ 236,115,000	\$ 216,984,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ No par value; \$1.11 stated value.

Statistical Summary

%Income bef. Taxes to Sales	8.98	9.04
%Net Income to Sales	4.98	5.04
%Net Income to Equity	21.10	22.47
Debt to Equity	0.46	0.68
Working Capital	\$ 96,458,000	\$ 80,954,000
Current Ratio	2.80	2.47
Shareholders' Equity	\$122,662,000	\$101,936,000

Sirco International Corp.

700 South Fulton Avenue
Mount Vernon, New York 10550
(914) 664-4400

Officers: Burt J. Siris, chairman of the board; Joseph Ganz, president; John Goldsmith, executive vice president; Sidney

Spencer Companies, Inc.

Jerris, v.p.-finance; Leonard M. Yolowitz, secretary & treasurer.

Directors: Burt J. Siris, Leonard M. Yolowitz, Neil Grundman, John Goldsmith, Joseph Ganz, Yataka Yamaguchi, Douglas Turner, Sidney Jerris.

Business Activities: Designs, manufactures, imports and markets handbags, tote bags, wallets, small leather goods and novelty items, basically for women and children. Merchandise is made of leathers, vinyls and fabrics. Also manufactures and markets a line of leisure and loungewear under the name Bueno Flamboyant.

Trademarks and/or Brand Names: Action Bags, Bartoli Handbags, Miss McDuff, Mondo, Sanford, Carefree, Bueno.

Subsidiaries:

Sirco International Canada, Ltd.
1321 Blundell Road
Mississauga, Ontario, Canada

Sirco Leatherwares Ltd.
North Circular Road
Finchley, London, N. 12 England

Sirco Industries Limited
13D Por Mee Factory
500 Castle Peak Road
Kowloon, Hong Kong

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SIRC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1985	\$ 41,020,020	\$ 259,123
1984	38,544,734	435,283
1983	38,861,919	1,085,142
1982	41,301,508	593,503
1981	39,409,615	447,132

No. of Com. Shares + Earn. per Share #‡

1985	815,200	\$ 0.32
1984	815,200	0.53
1983	815,200	1.33
1982	815,200	0.73
1981	815,200	0.55

‡ Including extraordinary gains of \$11,558 (\$0.01 per share) in 1985, \$10,104 (\$0.01 per share) in 1984, \$65,802 (\$0.08 per share) in 1983 and \$60,515 (\$0.08 per share) in 1982.

+ Adjusted to reflect stock dividend.

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	\$ 8,803,798	\$ 10.80
1984	8,479,974	10.40
1983	8,209,799	10.07
1982	7,385,079	9.06
1981	7,314,333	8.97

+ Adjusted to reflect stock dividend.

Income Account *

Year ended Nov. 30	1985	1984
Net sales	\$ 41,020,020	\$ 38,544,734
Cost of sales	29,585,769	27,294,423
Expenses	10,525,161	9,837,771

Interest expenses	665,307	634,584
For. exch. loss (gain)	(210,982)	158,605
Income before taxes	\$ 454,765	\$ 619,351
Income taxes	207,200	194,172
Net Income	247,565	425,179
Extraord. gain	11,558	10,104

Net Income & extraord. gain	\$ 259,123	\$ 435,283
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* Included in Costs and Expenses, Depreciation and Amortization: \$250,488 in 1985 and \$196,539 in 1984.

	Assets	
As of Nov. 30	1985	1984
Cash	\$ 1,494,199	\$ 2,162,935
Accts. receiv., net	10,115,038	6,162,880
*Inventories	8,675,773	8,246,589
Prepaid expenses & other assets	699,634	421,196
Refundable taxes	189,386	423,097
Current Assets	\$ 21,174,030	\$ 17,416,697
#Fixed assets	1,122,168	490,182
Other assets	74,144	86,861
Total Assets	\$ 22,370,342	\$ 17,993,740

	Liabilities	
Notes payable	\$ 615,337	\$ 206,142
Acceptances payable	8,919,486	6,857,650
Accts. payable	2,129,174	1,165,308
Accruals	891,883	652,066
Income taxes	559,547	561,062
Curr. Liabilities	\$ 13,115,427	\$ 9,442,228
+ Common stock	81,520	81,520
Add. paid-in capital	1,702,534	1,702,534
Retained earnings	7,903,330	7,644,207
Curr. trans. adj.	(883,586)	(948,287)
Total Liabilities & Shareholders' Equity	\$ 22,370,342	\$ 17,993,740

Notes payable	\$ 615,337	\$ 206,142
Acceptances payable	8,919,486	6,857,650
Accts. payable	2,129,174	1,165,308
Accruals	891,883	652,066
Income taxes	559,547	561,062
Curr. Liabilities	\$ 13,115,427	\$ 9,442,228
+ Common stock	81,520	81,520
Add. paid-in capital	1,702,534	1,702,534
Retained earnings	7,903,330	7,644,207
Curr. trans. adj.	(883,586)	(948,287)
Total Liabilities & Shareholders' Equity	\$ 22,370,342	\$ 17,993,740

* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.11	1.61
%Net Income to Sales	0.60	1.10
%Net Income to Equity	2.81	5.01
Sales to Inventories	4.73	4.67
Debt to Equity	0.07	0.02
Working Capital	\$8,058,603	\$7,974,469
Current Ratio	1.61	1.84
Shareholders' Equity	\$8,803,798	\$8,479,974

Spencer Companies, Inc.

450 Summer Street
Boston, Massachusetts 02210
(617) 542-8120

Officers: C. Charles Marran, chairman of the board; Herbert Rosen, vice chairman; Paul O'Connor, president & chief executive officer; Donald C. Burgess, sr. v.p. & gen. merch. mgr.; Frank L. Marran, sr. v.p.-imports & mfg.; Irwin J. Lakin, v.p. & dir.-retail operations; William A. Oliver, v.p. & treasurer; Lewis H. Weinstein, clerk; Edward J. Fitzgerald, v.p. & mdse. manager; assistant vice presidents: Roger A. Beaulieu, mgr.-computer operations; John W. Crapo, buyer-women's shoes; Joseph T. Grobel, asst. treasurer; Daniel J. Hart, dir.-warehousing; James R. Monn, dir.-advertising; Milton M. Zalko, buyer-children's shoes; Donald Mish, buyer-athletic shoes.

Directors: C. Charles Marran*, William A. Oliver*, Herbert Rosen*, Paul O'Connor*, Real O. Roy.

* Member of the Executive Committee.

Business Activities: Operates leased shoe departments in discount department stores; operates discount shoe stores; also has manufacturing subsidiaries in footwear and misses' apparel.

Trademarks and/or Brand Names: Perfect Poise, Jazzie, Happy Legs, Feelin', H.L. Spencer, H.L. Tops, Marrantino, Top Kicks, Goldtred, Ranchos.

Subsidiaries:

Happy Legs, Inc.
20 Enterprise Avenue
Secaucus, New Jersey 07094
(201) 330-7700

Manufactures Junior and Missy apparel including pants and sportswear.

Fashion Gallery, Inc.

450 Summer Street
Boston, Massachusetts 02210

Operates 31 stores specializing in name brand women's apparel and footwear at discount prices.

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts 02101

Stock Exchange(s): American

Ticker Symbol: SPN

Sales and Earnings

	Net Sales ‡	Net Income
1985	\$ 114,918,447	\$ (5,657,370)
1984	100,696,178	1,284,929
1983	95,374,040	803,968
1982	86,118,552	(768,353)
1981	69,357,564	1,081,059
	No. of Com. Shares #	Earn. per Share #
1985	1,870,435	\$ —
1984	1,800,410	0.71
1983	1,862,167	0.43
1982	1,850,292	—
1981	1,713,077	0.63

(Loss)

‡ Includes operating revenues of continuing operations only.

Based on the weighted daily average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.24	—	—
1984	0.17	—	—
1983	0.11	—	—
1982	0.20	—	—
1981	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 13,584,313	\$ 7.26
1984	17,997,969	10.00
1983	16,867,744	9.05
1982	17,087,326	9.23
1981	18,444,784	10.77

‡ Based on the weighted daily average number of shares outstanding.

Income Account

Year ended	6/1/85	6/2/84
Net sales	\$ 114,918,447	\$ 100,696,178
Cost of sales	82,002,385	64,559,855
Expenses	36,280,009	31,161,385
Depreciation & amortization	1,517,607	1,084,856
Interest expense	2,449,642	1,386,385
Interest income	(28,581)	(48,872)
Legal fees	—	(137,600)
Offering expenses	—	162,000
Other expense (income)	(273,075)	74,796
Inc. (loss) bef. taxes	\$ (7,929,540)	\$ 2,453,373
Income taxes (credit)	(1,372,170)	1,168,444
Net Income (Loss)	\$ (5,657,370)	\$ 1,284,929

Spencer Companies, Inc.

As of	Assets	6/1/85	6/2/84
Cash	\$	1,837,240	\$ 1,341,017
Leased departments		138,131	621,175
Marketable securities		184,596	485,022
Accts. & notes receiv., net		821,063	1,309,038
Refundable taxes		2,595,500	697,474
*Inventories		21,436,595	25,034,123
Prepaid expenses		599,530	636,593
Current Assets	\$	27,612,655	\$ 30,124,442
#Fixed assets		6,128,794	4,867,171
Intangibles & other assets		812,426	973,169
Total Assets	\$	34,553,875	\$ 35,964,782
Liabilities			
Notes payable	\$	4,250,000	\$ 1,000,000
Long-term debt, curr.		600,000	807,380
Accts. payable		14,131,097	13,327,552
Accrued taxes		487,976	695,558
Accrued payroll		986,882	1,081,312
Curr. Liabilities	\$	20,455,955	\$ 16,911,802
Long-term debt		513,607	1,055,011
+ Common stock		2,092,933	2,075,933
Add. paid-in capital		6,948,691	6,084,538
Retained earnings		7,191,904	13,293,827
Treasury stock		(455,587)	(1,164,251)
Acct. receiv.-emp. stock trust		(2,193,628)	(2,292,078)
Total Liabilities & Shareholders' Equity	\$	34,553,875	\$ 35,964,782

* At lower of cost (FIFO for mfg. and the retail method for the retail div.) or market
Less accumulated depreciation
+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.44
%Net Income to Sales	—	1.28
%Net Income to Equity	—	7.14
Sales to Inventories	5.36	4.02
Debt to Equity	0.39	0.16
Working Capital	\$ 7,156,700	\$13,212,640
Current Ratio	1.35	1.78
Shareholders' Equity	\$13,584,313	\$17,997,969

Springs Industries, Inc.

265 North White Street
P.O. Box 70
Fort Mill, South Carolina 29715
(803) 547-2901

Officers: Walter Y. Elisha, chairman, & chief executive officer; W. Paul Tippet, president; John Cauthen, Julius Lasnick, exec. vice presidents; A. Ward Peacock, exec. v.p., chief financial officer & treasurer; Robert M. Bruton, v.p., business systems; J. Marshall Doswell, Jr., v.p., corporate communications; Charles M. Harrell, controller; Robert S. Hudspey, v.p., purchasing; James E. Hendrix, v.p., research & development; J. David Hopkins, v.p., planning & development; Floyd E. Williams, Jr., v.p., engineering services; William L. Weaver, v.p., facilities planning; J. Spratt White, sr. v.p., human resources & secretary.

Directors: Crandall C. Bowles*, Charles W. Coker, Jr.*, Walter Y. Elisha*, Donald N. Frey, James P. Kelly*, Dan M. Krausse*, Donald S. Perkins, Arthur W. Schultz, Peter G. Scotese*, Ralph Z. Sorenson, W. Paul Tippet*, Stewart Turley.

* Member of the Executive Committee

Business Activities: Manufactures and markets woven and non-woven fabrics in a broad variety of fibers, finishes, colors and printed patterns; produces woven industrial fiber glass fabrics; home furnishing products include sheets, pillowcases, quilted bedspreads, and bed accessories, among others.

Textile Trademarks and/or Brand Names: Springmaid, Pequot, Skinner, Ultrasuede, Warsatta, Pacific, Graber, Fashion-

Pleat, Performance, Wondercale, Supercal, Conso, Custom Designs, Pacific Silvercloth, Superlin, Radiance.

Plant Locations: Fort Lawn, Chester, Kershaw, Grace, Lancaster, Fort Mill, Union, Honca Peth, Gaffney, Anderson, Columbia, Lyman, Rock Hill, S.C.; Laurel Hill, Biscoe, Morgantown, N.C.; Dalton, Calhoun, Washington, Cleveland, Ga.; Piedmont, Huntsville, Ala.; Middleton, Wis.; Santa Fe Springs, Ca.; Battice, Belgium.

Divisions and Subsidiaries:

Apparel Fabrics Division
104 West 40th Street
New York, New York 10018
(212) 556-6000
Woven fabrics for apparel and decorative home furnishings.

Conso Products Division
P.O. Box 326
Union, South Carolina 29379

Consumer Fashion Division
104 West 40th Street
New York, New York 10018
(212) 556-6000
Packaged sheets, pillowcases, bath products, draperies and quilted bedspreads.

Retail and Specialty Fabrics Division
104 West 40th Street
New York, New York 10018
(212) 556-6500
Woven, non-woven, and knitted fabrics for home sewing and specialty manufacturers.

Performance Products Division
P.O. Box 1328
Dalton, Georgia 30720
Textile home furnishings.

Graber Industries, Inc.
7549 Graber Road
Middleton, Wisconsin 53562
Window decorating products.

Custom Designs Division
P.O. Box 5480
Buena Park, California 90620

International Division
104 West 40th Street
New York, New York 10018

Textile Manufacturing Division
P.O. Box 70
Fort Mill, South Carolina 29715

Acquisition(s):

M. Lowenstein Corporation
1430 Broadway
New York, New York 10018
Manufactures woven fibers and home furnishings.

Clark-Schwebel Fiber Glass Corporation
5 Corporate Park Drive
White Plains, NY 10603
Manufactures woven industrial fiber glass fabrics.

Transfer Agent(s):

Wachovia Bank & Trust Company
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): New York

Ticker Symbol: SMI

Sales and Earnings

	Net Sales +	Net Income
1985*	\$1,013,500,000	\$ 13,300,000
1984	945,000,000	36,100,000
1983	894,400,000	37,100,000
1982	874,500,000	43,100,000
1981	917,000,000	40,000,000
	No. of Com. Shares †	Earn. per Share †
1985	8,887,000	\$ 1.49
1984	8,884,000	4.06
1983	8,919,000	4.15
1982	8,905,000	4.83
1981	8,886,000	4.50

* 53 weeks.

+ Of continuing operations only.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business (000's)

	1985	1984
Finished fabrics	\$ 473,400	\$ 484,400
Home furnishings	504,900	460,600
Industrial fabrics	35,200	—
Total	\$ 1,013,500	\$ 945,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.52	—	—
1984	1.52	—	—
1983	1.52	—	—
1982	1.44	—	—
1981	1.36	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 442,200,000	\$ 50.06
1984	441,200,000	50.07
1983	419,000,000	47.47
1982	395,800,000	44.94
1981	364,700,000	41.52

Income Account * (000's)

Year ended	1/4/86	12/29/84
Net sales	\$ 1,013,492	\$ 944,990
Cost of sales	877,578	803,403
Expenses	109,621	88,341
Other income	(3,371)	(7,264)
Interest expense	9,035	5,373
Income before taxes	\$ 20,629	\$ 55,137
Income taxes	7,358	19,066
Net Income	\$ 13,271	\$ 36,071

* Included in Costs and Expenses, Depreciation and Amortization: \$37,641,000 in 1985 and \$31,940,000 in 1984.

Assets (000's)

As of	1-4/86	12/29/84
Cash & short-term invest	\$ 55,334	\$ 63,373
Accts. receiv., net	263,413	160,011
*Inventories	232,550	121,879
Other assets	9,316	7,422
Current Assets	\$ 569,613	\$ 352,685
# Fixed assets	385,712	250,543
Other assets & deferred charges	42,350	11,761
Investments	9,316	—
Total Assets	\$ 1,013,060	\$ 614,989

Liabilities (000's)

Long-term debt, curr.	\$ 4,750	\$ 2,746
Accts. payable	92,910	39,537
Accruals	81,820	30,622
Curr. Liabilities	\$ 179,480	\$ 72,905
Long-term debt	308,116	39,137
Deferred inc. taxes	32,133	32,323
Deferred compen	51,108	29,406
+ Common stock	4,469	4,469
Add. paid-in capital	8,476	8,388
Retained earnings	431,504	431,650
Treasury stock	(2,619)	(3,139)
Curr. Trans. - adj. (loss)	393	(150)
Total Liabilities & Shareholders' Equity	\$ 1,013,060	\$ 614,989

* At cost (LIFO).

Less accumulated depreciation and amortization.

+ \$0.50 par value.

Statistical Summary		
%Income bef. Taxes to Sales	2.04	5.83
%Net Income to Sales	1.31	3.82
%Net Income to Equity	3.00	8.17
Debt to Equity	4.36	0.09
Sales to Inventories	0.71	7.75
Working Capital	\$381,133,000	\$279,930,000
Current Ratio	3.12	4.85
Shareholders' Equity	\$442,223,000	\$441,368,000

Stanwood Corporation

4819 Park Road
Post Office Box 11813
Charlotte, North Carolina 28220
(704) 527-5270

Officers: Thomas N. Roboz, chairman of the board & president; Roy R. Bowman, v.p. - Apparel Operations; Douglas B. Bassitt, controller & asst. treasurer; Dee M. Wyatt, secretary.

Directors: Thomas N. Roboz*, chairman; E. M. Hicks, David T. Chase*, J. John Fox, Frank Gabor*, Harry M. Nacey, Jr., James E. Gettys, Ronald J. Krause*, J. Benjamin Bostick.

*Member of the Executive Committee.

Business Activities: Manufactures and sells men's work clothes and leisure wear, and men's and boys' underwear and sportswear.

Trademark(s): Carwood, Healthknit, Olevia St. Flirt, Quail Hollow, Stallion, Pony.

Divisions and Subsidiaries:

Standard Knitting Mills, Inc.
Knoxville, Tennessee 37901
Manufacturer of knitwear

Carwood Manufacturing Company
Winder, Georgia 30680
Manufactures men's work clothes and sportswear

International Apparel Company
Charlotte, North Carolina 28220

Pony Sports Apparel, Inc.
Knoxville, Tennessee 37901

Cargud, S.A.
San Jose, Costa Rica

Transfer Agent(s):
First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): Pacific, American

Ticker Symbol: SNW

Sales and Earnings		
	Net Sales †	Net Income
12/28/85	\$ 117,291,000	\$ 876,000
12/29/84	115,077,000	(299,000)
12/31/83	110,563,000	396,000
1/1/83	102,004,000	1,791,000
1/2/82	107,719,000	1,352,000
	No. of Com. Shares	Earn. per Share †
12/28/85	1,532,924	\$ 0.57
12/29/84	1,532,935	—
12/31/83	1,527,821	0.25
1/1/83	2,056,190	0.86
1/2/82	2,141,222	0.62

(Loss)

† Of continuing operations only

† Based on the average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/28/85	\$ 25,532,000	\$ 16.66
12/29/84	24,656,000	16.08
12/31/83	24,945,000	16.33
1/1/83	29,643,000	14.42
1/2/82	28,354,000	13.24

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 117,291,000	\$ 115,077,000
Cost of sales	95,224,000	95,575,000
Expenses	17,786,000	15,867,000
Interest expense	3,592,000	3,978,000
Other income	(393,000)	(125,000)
Gain on sale	(494,000)	—
Write-off of computer costs	—	581,000
Income (loss) before taxes	\$ 1,576,000	\$ (799,000)
Income taxes (credit)	700,000	(500,000)
Net Income (Loss)	\$ 876,000	\$ (299,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,716,000 in 1985 and \$1,644,000 in 1984.

Assets

	12/28/85	12/29/84
Cash	\$ 1,720,000	\$ 1,296,000
Receiv., net	19,821,000	16,589,000
*Inventories	36,706,000	37,699,000
Prepaid expenses	406,000	842,000
Refundable income taxes	209,000	—
Deferred income taxes	460,000	400,000
Current Assets	\$ 59,322,000	\$ 56,826,000
#Fixed assets	10,931,000	10,902,000
Other assets	2,233,000	2,457,000
Total Assets	\$ 72,486,000	\$ 70,185,000

Liabilities

	12/28/85	12/29/84
Notes payable	\$ 19,395,000	\$ 17,549,000
Accts. payable & accruals	8,935,000	7,909,000
Income taxes payable	85,000	180,000
Long-term debt, curr.	2,341,000	2,136,000
Curr. Liabilities	\$ 30,756,000	\$ 27,774,000
Long-term debt	14,278,000	16,188,000
Deferred comp.	1,830,000	1,567,000
Deferred income taxes	90,000	—
+ Common stock	1,533,000	1,533,000
Add. paid-in capital	13,232,000	13,232,000
Retained earnings	10,767,000	9,891,000
Total Liabilities & Shareholders' Equity	\$ 72,486,000	\$ 70,185,000

* At lower of cost (LIFO) or market

Less accumulated depreciation and amortization

+ \$1 par value

Statistical Summary

%Income before Taxes to Sales	1.34	—
%Net Income to Sales	0.75	—
%Net Income to Equity	3.43	—
Sales to Inventories	3.20	3.05
Debt to Equity	1.41	1.45
Working Capital	\$28,566,000	\$29,052,000
Current Ratio	1.93	2.05
Shareholders' Equity	\$25,532,000	\$24,656,000

State-O-Maine, Inc.

One Astor Place
Suite 1600
New York, New York 10036
(212) 244-1111

Officers: Milton Weinick, chairman of the board & secretary; Harvey Sanders, president & treasurer.

Directors: Harvey Sanders, Milton Weinick, Herbert L. Goldstein.

Business Activities: Manufactures & distributes men's swimwear, loungewear, robes, and sportswear.

Trademarks and/or Brand Names: State-O-Maine, Nautica, Christian Dior.

Plant Location(s):

Rockland, Maine

Subsidiaries:

Van Baalen Pacific Corp.

Nautica Apparel, Inc. (80% owned)

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): Over-the-Counter

Sales and Earnings		
	Net Sales †	Net Income
1986	\$ 28,925,861	\$ 1,572,695
1985	26,251,323	1,527,556
1984	20,120,335	911,783
1983	19,177,212	508,718
1982	17,751,256	573,534
	No. of Com. Shares #	Earn. per Share #
1986	1,443,732	\$ 1.09
1985	1,433,540	1.07
1984	1,433,540	0.64
1983	1,433,540	0.35
1982	1,469,373	0.39

+ Of continuing operations only

Based on the average number of shares outstanding

Common Stock Equity		
	Total Equity	Equity Per Share
1986	\$ 7,856,955	\$ 5.44
1985	6,240,710	4.35
1984	4,713,154	3.29
1983	3,801,371	2.65
1982	3,292,653	2.24
Income Account *		
Year ended	1986	1985
Feb. 28		
Net sales	\$ 28,925,861	\$ 26,251,323
Cost of sales	18,262,508	16,510,409
Expenses	7,102,177	6,249,174
Interest expense	311,264	404,198
Other income	—	(9,444)
Income before taxes	\$ 3,249,912	\$ 3,096,986
Income taxes	1,661,896	1,569,430
Minority interest	15,321	—
Net Income	\$ 1,572,695	\$ 1,527,556

* Included in Costs and Expenses, Depreciation and Amortization: \$484,086 in 1986 and \$315,876 in 1985.

Assets		
	1986	1985
As of Feb. 28		
Cash	\$ 894,925	\$ 848,811
Accts. receiv., net	3,238,705	2,885,300
*Inventories	4,018,844	3,571,231
Prepaid expenses	804,677	497,919
Current Assets	\$ 8,957,151	\$ 7,803,261
#Fixed assets	2,883,582	2,137,892
Other assets	82,472	32,220
Total Assets	\$ 11,923,205	\$ 9,973,373
Liabilities		
Notes payable	\$ 1,350,000	\$ 1,050,000
Long-term debt, curr.	67,333	17,333

State-O-Maine, Inc.

Accts. payable	822,254	1,375,462
Retained earnings	695,921	862,743
Income taxes	163,154	187,756

Curr. Liabilities	\$ 3,098,662	\$ 3,493,294
Long-term debt	821,336	138,669
Minority interest	15,052	—
Def. inc. taxes	131,200	100,700
+ Common stock	150,734	150,354
Add. paid-in capital	1,282,040	1,249,941
Retained earnings	6,490,610	4,917,915
Treasury stock	(66,429)	(77,500)

Total Liabilities & Shareholders' Equity	\$ 11,923,205	\$ 9,973,373
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* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$0.10 par value

Statistical Summary

% Income bef. Taxes to Sales	11.24	11.80
% Net Income to Sales	5.44	5.82
% Net Income to Equity	20.02	24.48
Sales to Inventories	7.20	7.35
Debt to Equity	0.28	0.19
Working Capital	\$5,858,489	\$4,309,967
Current Ratio	2.89	2.23
Shareholders' Equity	\$7,856,955	\$6,240,710

J.P. Stevens & Co., Inc.

Stevens Tower
1185 Avenue of the Americas
New York, New York 10036
(212) 930-2000

Officers: Whitney Stevens, chairman of the board & chief executive officer; Ward Burns, president & chief operating officer; David M. Tracy, vice chairman & senior marketing executive; Paul W. Nipper, Jr., sr. v.p. - manufacturing; Joseph R. Rempe, v.p. - human resources; Marvin B. Crow, v.p. - manufacturing; Fred J. Parks, Jr., v.p. - quality; John W. Wagner, v.p. and treasurer; John J. Zerrenner, v.p. & controller; Margaret T. Hulz, secretary; Robert E. Mitchell, general counsel; Richard T. Tyner, Jr., v.p. - investments & investor relations.

Directors: Ward Burns*, E. Virgil Conway, Alester G. Furman, III, Whitney Stevens*, Sidney J. Weinberg, Jr., Henry Ponder, James B. Edwards, Wilson E. Wearn, Paul W. Nipper, Jr.*, Buck Mickel, David M. Tracy*, Marvin B. Crow, John J. Zerrenner, Buck Mickel.

*Member of the Executive Committee

Business Activities: Makes fabrics and end products for apparel, home and industry. In the apparel area, the Company sells woven, knitted and nonwoven fabrics made from natural and synthetic fibers. Stevens also makes yarns which are sold mainly to other weaving or knitting firms. For the home, Stevens markets sheets, towels, blankets, bedspreads, draperies, tablecloths and carpet. For industry, Stevens fabrics are found in uses ranging from boat covers to inflatable buildings.

Trademarks and/or Brand Names: Gulistan, Utica, Cotton-Cale, Pipeline, Soft'n Vivid, Majesta, Tastemaker, Forstmann, Pinchurst, Luminaries, Embraceable, Consensus, Ultra Touch, Alure II.

Divisions:

Sheets & Bedroom Accessories Division
Terry, Bath & Kitchen Products Division
Delta Blend Fabrics Division
Fine Goods Division
United Elastic Fabrics Division
Stevco Knit Fabrics Division
Converter & Industrial Fabrics Division
Woolens & Worsteds Fabrics Division
International Division

Other Textile Operations:

Ralph Lauren Home Furnishings, Inc.
Stevens Carpet
Stevens AutoProducts
Stevens Elastomerics

Gloria Vanderbilt Creations, Inc.
Gay-Tred Mills, Inc.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: STN

Sales and Earnings

	Net Sales ¹ (000's)	Net Income (000's)
1985	\$ 1,698,300	\$ (15,500)
1984*	1,865,500	22,000
1983	1,687,200	18,900
1982	1,597,600	22,300
1981	1,829,400	(22,900)

No of Com. Shares Earn. per Share¹

1985	17,432,697	\$ —
1984*	17,482,260	1.23
1983	18,257,224	1.09
1982	14,465,963	1.54
1981	14,457,459	—

(Loss)

* 53 weeks

¹ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Home fashion textiles	\$ 676,643	\$ 711,532
Apparel fabrics	638,387	773,682
Industrial prods.	315,187	312,672
Aviation & other	68,067	67,600
Total	\$ 1,698,284	\$ 1,865,547

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.20	—	—
1984	1.20	—	—
1983	1.20	—	—
1982	1.20	—	—
1981	1.20	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	\$ 502,000	\$ 28.79
1984	539,000	30.84
1983	561,000	30.73
1982	487,200	33.68
1981	482,200	33.35

Income Account *

	11/2/85	11/3/84 (53 weeks)
Net sales	1,698,284	1,865,547
Cost of sales	1,455,689	1,667,732
Expenses	147,125	150,038
Other income	(7,133)	(1,393)
Interest expense	28,769	42,250
Costs of restruc.	130,740	—
Income before taxes	\$ (56,906)	\$ 6,920
Tax credit (loss)	(22,136)	(4,208)
Inc. (loss) - cont. oper.	\$ (34,770)	\$ 11,128
Inc. - discnt. oper.	19,277	10,841
Net Income (loss)	\$ (15,493)	\$ 21,969

* Included in Costs and Expenses, Depreciation: \$46,739,000 in 1985 and \$47,718,000 in 1984.

Assets (000's)

As of	11/2/85	11/3/84
Cash	\$ 9,650	\$ 10,460
Short-term invest.	123,362	—
Receiv., net	318,206	366,277
*Inventories	265,968	321,413
Net assets - discnt. oper.	40,246	—
Deferred tax benefits	49,258	—
Other curr. assets	8,371	10,352
Current Assets	\$ 815,061	\$ 708,502
#Fixed assets	351,756	431,374
Other assets & defer. changes	33,521	32,702
Total Assets	\$ 1,200,338	\$ 1,172,578

Liabilities (000's)

Long-term debt, curr.	\$ 19,425	\$ 19,407
Accts. payable	84,471	146,349
Accruals	70,561	85,173
Accrued restruc. costs	106,479	—
Income & other taxes	70,593	11,815
Curr. Liabilities	\$ 351,529	\$ 262,744
Long-term debt	218,525	311,536
Oblig. under capital leases	10,228	20,943
Deferred pension plan credit	78,055	—
Deferred credits & other liabilities	40,194	38,248
+ Common stock	140,025	140,025
Add. paid-in capital	133,687	134,341
Retained earnings	255,878	292,281
Treasury stock	(27,783)	(27,540)
Total Liabilities & Shareholders' Equity	\$ 1,200,338	\$ 1,172,578

* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$7.50 par value

Statistical Summary

% Net Income to Equity	—	4.08
Sales to Inventories	6.39	5.80
Debt to Equity	0.49	0.65
Working Capital	\$463,532,000	\$445,758,000
Current Ratio	2.32	2.70
Shareholders' Equity	\$501,807,000	\$539,107,000

The Stride Rite Corporation

5 Cambridge Center
Cambridge, Massachusetts 02142
(617) 491-8800

Officers: Arnold Hiatt, chairman & chief exec. officer; John J. Phelan, exec. v.p. & treasurer; Myles J. Slosberg, exec. v.p.; Irwin Miller, exec. v.p.; Steven B. Nichols, v.p.; Marcia Morris Cloutier, general counsel, secretary & clerk; John M. Kellisher, corp. controller; William E. Dawson, asst. treasurer; James F. Ridge, asst. secretary.

Directors: Arnold Hiatt, chairman of the board; Herbert H. Goldberger, Steven B. Nichols, John J. Phelan, Robert S. Pirie, Walter J. Salmon, Myles J. Slosberg, Joel E. Smilow.

Business Activities: Manufactures and markets children's footwear under the names Stride Rite, Keds and Zips; boating and recreational shoes and adult work boots and shoes under the names Sperry, Sperry Top-Sider, Herman and Herman Survivors; and casual and athletic footwear for children and adults under the names Keds, Pro-Keds and Grasshoppers. These products are sold through independent retail shoe stores, department stores, sporting good stores and marinas, as well as through its Stride Rite Bootery and Overland Trading Company stores, and leased space in department stores.

Trademarks and/or Brand Names: Stride Rite, Zips, Sperry, Sperry Top-Sider, Herman, Herman Survivors, Keds, Pro-Keds, Grasshoppers.

Suave Shoe Corporation

Plant Locations: Boston, Brockton, Lawrence, New Bedford, Massachusetts; Scarborough, Maine; Tipton, Fulton, Hamilton, Missouri; Haiti; Puerto Rico.

Subsidiaries:

Joseph M. Herman Shoe Company, Inc.
The Keds Corporation
Sperry Top-Sider, Inc.
Stride Rite Footwear, Inc.
Stride Rite International, Ltd.
Stride Rite Retail Corp.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s):

New York
Ticker Symbol: SRR

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 277,310,000	\$ 11,178,000
1984	289,489,000	5,420,000
1983	301,698,000	16,803,000
1982	224,814,000	11,365,000
1981	194,829,000	9,165,000

	No. of Com. Shares	Earn. per Share ‡
1985	7,529,000	\$ 1.49
1984	7,495,000	0.72
1983	7,495,000	2.35
1982	6,338,000	1.80
1981	6,336,000	1.48

† Including extraordinary gain of \$489,000 (\$0.07 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.80	—	—
1984	0.80	—	—
1983	0.72	—	—
1982	0.67	—	—
1981	0.62	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 111,526,000	\$ 14.81
1984	105,674,000	14.10
1983	105,983,000	14.14
1982	63,455,000	10.01
1981	56,179,000	8.87

Income Account *

Year ended	11/29/85	11/30/84
Net sales	\$ 277,310,000	\$ 289,489,000
Cost of sales	164,549,000	183,561,000
Expenses	96,419,000	96,043,000
Invest. income	(3,255,000)	(894,000)
Interest expense	1,991,000	2,782,000
Other expense (income)	54,000	(484,000)
Income before taxes	\$ 17,552,000	\$ 8,481,000
Income taxes	6,863,000	3,061,000
Net Income	\$ 10,689,000	\$ 5,420,000
Extraord. gain	489,000	—
Net Income & extraord. gain	\$ 11,178,000	\$ 5,420,000

* Included in Costs and Expenses, Depreciation and Amortization: \$4,153,000 in 1985 and \$4,452,000 in 1984.

Assets

As of	11/29/85	11/30/84
Cash & cash equiv.	\$ 13,370,000	\$ 15,624,000
Marketable securities	28,103,000	5,100,000
Accts. receiv., net	45,873,000	46,417,000
*Inventories	53,601,000	64,293,000

Deferred inc. taxes	7,539,000	7,420,000
Prepaid expenses	6,385,000	1,898,000

Current Assets	\$ 154,871,000	\$ 140,752,000
#Fixed assets	22,793,000	24,354,000
Other assets	1,792,000	2,240,000
Intangibles	2,017,000	2,108,000

Total Assets	\$ 181,473,000	\$ 169,454,000
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Liabilities

Long-term debt, curr.	\$ 2,096,000	\$ 2,808,000
Accts. payable	21,596,000	14,335,000
Accruals	23,235,000	16,944,000

Curr. Liabilities	\$ 46,927,000	\$ 34,087,000
Long-term debt	12,603,000	24,668,000
Deferred inc. taxes	10,417,000	5,025,000
+ Common stock	7,603,000	7,603,000
Add. paid-in capital	30,112,000	29,652,000
Retained earnings	74,276,000	69,103,000
Treasury stock	(465,000)	(684,000)

Total Liabilities & Shareholders' Equity	\$ 181,473,000	\$ 169,454,000
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* At lower of cost (LIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.33	2.93
%Net Income to Sales	3.85	1.87
%Net Income to Equity	9.58	5.13
Sales to Inventories	5.17	4.50
Debt to Equity	0.13	0.26
Working Capital	\$107,944,000	\$106,665,000
Current Ratio	3.30	4.13
Shareholders' Equity	\$111,526,000	\$105,674,000

Suave Shoe Corporation

14100 Northwest 60th Avenue
Miami Lakes, Florida 33014
(305) 822-7880

Officers: David Egozi, chairman of the board, president & chief executive officer; Eugene D. Ramos, sr. v.p. & gen. mgr., shoe mfg. div.; Solomon Garazi, sr. v.p.-import div.; Saul Ginzburg, v.p.-merchandising & sales, shoe import div.; Luis Arrizurieta, v.p.-finance & administration, shoe import div.; Pedro Mirones, secretary & asst. gen. mgr.-shoe manufacturing division; Carlos Alvarado, v.p.-management information systems; Francisco Llaca, v.p.-mktg., shoe import div.; Luis Egozi, v.p.-marketing-shoe manufacturing div.; Sergio Echeverria, v.p.-finance & controller, shoe mfg. div.; Jose Marroquin, asst. secretary.

Directors: David Egozi*, chairman; Solomon Garazi*, Saul Ginzburg, Charles Dascal, E. Moulton Prussing, Larry J. Hoffmann, Joel Newman, Luis Egozi.

* Member of the Executive Committee.

Business Activities: Manufactures, designs, imports and markets men's, boys', women's and girls' leisure footwear.

Plant Locations: Miami Lakes, Florida

Divisions and Subsidiaries:

Shoe Manufacturing Division

Rainbow Footwear Corporation
Florida Coating Industries

Shoe Import Division

Oriental Trading Corporation
Shoe Supply, Inc.
Universe Shoe Corporation of Florida

Shoe Retail Division

Steffi, Inc.
Bari of Florida, Inc.
Operates shoe stores under the names Bari and Steffi in central and northern Florida.

Transfer Agent(s):

Southeast Bank, N.A.
P.O. Box 014078
Miami, Florida 33101

Stock Exchange(s):

New York
Ticker Symbol: SWV

Sales and Earnings

	Net Sales	Net Income
1985	\$ 84,023,000	\$ (5,440,000)
1984	96,430,000	(256,000)
1983	111,522,000	2,031,000
1982	121,871,000	6,654,000
1981	117,036,000	5,722,000

	No. of Com. Shares +	Earn. per Share ‡
1985	2,637,170	\$ —
1984	2,637,170	—
1983	2,823,873	0.69
1982	3,065,773	2.06
1981	3,273,029	1.75

(Loss)

+ Adjusted to reflect stock dividend.

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	\$ —	—	—
1984	0.225	—	—
1983	0.30	—	—
1982	0.30	—	—
1981	0.19	10%	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 23,617,000	\$ 8.96
1984	29,057,000	11.02
1983	31,467,000	11.14
1982	32,456,000	10.59
1981	28,750,000	8.78

‡ Adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	\$ 84,023,000	\$ 96,430,000
Cost of sales	76,023,000	81,944,000
Expenses	14,606,000	14,888,000
Interest & finance exp.	1,454,000	936,000
Loss on disposition	2,224,000	—
Loss bef. taxes*	\$ (10,284,000)	\$ (1,338,000)
Tax credit	(4,733,000)	(925,000)
Eq. in inc. of affil.	(111,000)	(157,000)
Net Loss	\$ (5,440,000)	\$ (256,000)

* Included in Costs and Expenses, Depreciation and Amortization: \$1,980,000 in 1985 and \$1,958,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	\$ 1,513,000	\$ 2,404,900
Accts. receiv., net	13,260,000	15,473,000
Inc. tax refund receiv.	4,460,000	2,181,000
*Inventories	12,321,000	15,005,000
Prepaid exp. & assets	410,000	427,000
Current Assets	\$ 31,964,000	\$ 35,490,000
Investments & adv.	1,796,000	1,679,000
#Fixed assets	7,279,000	9,959,000
Other assets	886,000	1,107,000
Total Assets	\$ 41,925,000	\$ 48,235,000

Suave Shoe Corporation

Liabilities		
Notes payable	\$ 2,525,000	\$ 907,000
Long-term debt, curr.	1,086,000	1,185,000
Accts. payable	2,149,000	3,562,000
Accruals	2,098,000	1,426,000
Accrued payroll	1,049,000	1,309,000
Curr. Liabilities	\$ 8,907,000	\$ 8,389,000
Long-term debt	362,000	1,448,000
Conv. deb. 5%	5,354,000	5,354,000
Deferred inc. taxes	1,491,000	1,850,000
Deferred comp.	2,019,000	1,962,000
Minority interest	175,000	175,000
+ Common stock	36,000	36,000
Add. paid-in capital	7,189,000	7,189,000
Retained earnings	23,490,000	28,930,000
Treasury stock	(7,098,000)	(7,098,000)
Total Liabilities & Shareholders' Equity	\$ 41,925,000	\$ 48,235,000

* At lower of cost (primary LIFO) or market.

Less accumulated depreciation

+ \$0.01 par value.

Statistical Summary		
Sales to Inventories	6.82	6.43
Debt to Equity	0.17	0.12
Working Capital	\$23,057,000	\$27,101,000
Current Ratio	3.59	4.23
Shareholders' Equity	\$23,617,000	\$29,057,000

Superior Surgical Mfg. Co., Inc.

Seminole Blvd. at 100th Terrace
P.O. Box 4002
Seminole, Florida 33542
(813) 397-9611

Officers: Gerald M. Benstock, chairman of the board, chief exec. officer & president; Saul Schechter, Alan D. Schwartz, executive v.p.'s; Charles W. McKinley, Robert M. Green, Irving Weissman, Spencer P. Cohen, Anne Fasani, Nathan L. Belkin, Michael Benstock, v.p.'s; Elliot Marrus, v.p. & asst. secretary; John W. Johansen, v.p., treasurer & chief financial officer; Earl Marvin, secretary.

Directors: Gerald M. Benstock*, Saul Schechter*, Earl Marvin*, Donald H. Wheeler, Alan Schwartz*

* Member of the Executive Committee.

Business Activities: Engaged in the production and sale of career apparel, industrial apparel, work clothes, medical and service uniforms and miscellaneous, directly related products, such as embroidered emblems, operating room masks, patient aids and laundry bags.

Trademarks and/or Brand Names: Fashion Seal/Shane Uniforms, Worklon, Fashion Seal Disposables, Universal Cottons, Hallmark Emblems, Kaufman's Uniforms, Martin's Uniforms, Lamar Uniforms, Appel + Brooks + Webber Uniforms, d'Armigene Tiffany Uniforms, Versa Drape, Gap Wrap.

Divisions and Subsidiaries:

Universal Cottons
Eudora, Arkansas

Shane Uniforms
Cynthiana & Evansville, Indiana

Fashions Seal Uniforms
Lake Village, Eudora & McGehee, Arkansas
Leesburg, Georgia

Fashion Seal Disposables
Lake Village, Arkansas

Martin's Uniforms
Tampa & St. Petersburg, Florida
Kenner, Louisiana
Memphis Tennessee
Atlanta, Georgia
San Antonio, Texas

Worklon Uniforms
McGehee, Arkansas

Lamar Uniforms
Miami, Florida

Appel Uniforms
New York, New York

D'Armigene

Tiffany Industries
Cayey, Puerto Rico
Manufacturer of professional uniforms and lab wear for nurses, lab technicians, doctors, dentists, and medical/dental assistants.

Superior Surgical International

Transfer Agent(s):
Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: SGC

Sales and Earnings		
	Net Sales	Net Income
1985	\$ 98,540,419	\$ 4,027,123
1984	86,816,735	3,503,111
1983	83,785,884	2,905,081
1982	81,087,610	2,228,196
1981	78,747,702	2,835,418
	No. of Com. Shares +	Earn. per Share #
1985	2,431,112	\$ 1.66
1984	2,430,162	1.44
1983	2,430,162	1.20
1982	2,429,662	0.92
1981	2,429,162	1.17

+ Adjusted to reflect stock split

Based on the weighted average number of shares outstanding adjusted to reflect stock split

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.36	—	—
1984	0.32	—	—
1983	0.25	—	—
1982	0.24	—	—
1981	0.22	—	2-for-1

Adjusted to reflect stock split.

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1985	\$ 33,732,315	\$ 13.88
1984	30,568,000	12.58
1983	27,843,441	11.46
1982	25,544,338	10.51
1981	23,897,712	9.84

‡ Adjusted to reflect stock split

Income Account *		
Year ended Dec. 31	1985	1984
Net sales	\$ 98,540,419	\$ 86,816,735
Cost of sales	69,357,208	60,099,736
Expenses	20,692,236	19,243,875
Interest expense	1,223,852	1,145,013
Inc. bef. taxes	\$ 7,267,123	\$ 6,328,111
Income taxes	3,240,000	2,825,000
Net Income	\$ 4,027,123	\$ 3,503,111

* Included in Costs and Expenses, Depreciation and Amortization \$1,089,892 in 1985 and \$937,131 in 1984

Assets		
As of Dec. 31	1985	1984
Cash	\$ 616,305	\$ 698,465
Accts. receiv., net	17,629,204	15,026,266

*Inventories 24,104,175 25,064,515
Prepaid expenses 506,253 389,762

Current Assets \$ 42,855,937 \$ 41,179,008
#Fixed assets 10,836,284 9,494,372
Other assets 567,759 609,841
Intangibles 888,483 895,491

Total Assets \$ 55,148,463 \$ 52,178,712

Liabilities
Long-term debt, curr. \$ 820,247 \$ 802,309
Accts. payable 7,060,150 5,952,759
Accruals 2,733,783 2,676,545
Income taxes 73,725 444,709

Curr. Liabilities \$ 10,687,905 \$ 9,876,322
Long-term debt 9,653,243 10,973,490
Deferred inc. taxes 1,075,000 760,000
+ Common stock 2,431,112 2,430,162
Add. paid-in capital 2,684,780 2,674,449
Retained earnings 28,616,423 25,464,289

Total Liabilities & Shareholders' Equity \$ 55,148,463 \$ 52,178,712

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization

+ \$1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	7.37	7.29
%Net Income to Sales	4.09	4.04
%Net Income to Equity	11.95	11.46
Sales to Inventories	4.09	3.46
Debt to Equity	0.31	0.39
Working Capital	\$32,168,032	\$31,302,686
Current Ratio	4.01	4.17
Shareholders' Equity	\$33,732,315	\$30,568,900

Talley Industries, Inc.

2702 North 44th Street
Phoenix, Arizona 85008
(602) 957-7711

Officers: William H. Mallender, chairman & chief executive officer; Jack C. Crim, president & chief operating officer; Donald L. Corey, v.p. - corp. development; Daniel R. Mullen, treasurer; Edward T. Ryan, Jr., Richard H. Allen, Thomas A. Dickey, v.p.'s-operations; William E. Bonnell, dir.-human resources; Lonnie O. Schnell, dir.-internal audit; Arthur M. Squicciarini, dir.-operations services; Mark S. Dickerson, general counsel & secretary; Kenneth May, controller.

Directors: William H. Mallender*, chairman; Townsend W. Hoopes, John D. MacNaughton, Jr., Emiel T. Nielsen, Jr., Thomas F. Reddy, Jr., John C. Robinson, Fred G. Schuller, Wesley A. Stanger, Jr., John W. Stodder, Oliver R. Grace, William B. Bolton, Hubert T. Mandeville, Alex Stamatakis, David Victor.

* Member of the Executive Committee.

Business Activities: The Apparel Group imports women's and men's wearing apparel which consists primarily of knitted sportswear, sweaters and shirts. Sales are under both private labels and Company tradenames. Commercial Group products include finished clocks and watches, humidistats, consumer air and water purification systems, automobile clocks, clock-radio timers, and molded plastic parts. The Government & Technical Group includes products such as ballistic devices, aircraft escape systems, on-board aircraft data acquisition systems, fault indicators, high-voltage ceramic insulators, and automated welding systems. The Realty Group operates in the Greater Phoenix area, engaged in the sale of land to developers for commercial and residential development.

Apparel Trademarks & Brandnames: Andrew St. John, Andriano, McGregor, Botany, Botany 500, Measure Up, Adomance, and Bay Trading Company.

Apparel Divisions, Subsidiaries & Affiliates:

Adorence Company, Inc.
1370 Broadway
New York, New York 10018
(212) 244-8490

Adorence Company (Canada), Ltd.
Montreal, Canada

Adorence Company (Hong Kong), Ltd.
Hong Kong

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
P.O. Box 711267
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: TAL

Sales and Earnings

	Net Sales +	Net Income ‡
12/31/85	\$ 316,043,000	\$ 12,014,000
12/31/84	306,478,000	10,474,000
12/31/83*	210,833,000	6,713,000
3/31/83	264,109,000	8,190,000
3/31/82	311,425,000	(7,256,000)

	No. of Com. Shares	Earn. per Share ‡
12/31/85	5,944,000	\$ 1.51
12/31/84	5,925,000	1.30
12/31/83*	5,951,000	0.83
3/31/83	5,941,000	1.12
3/31/82	4,813,000	—

(Loss)

* 9 months

+ Of continuing operations only

‡ Including extraordinary gain of \$2,762,000 (\$0.38 per share) in the year ending Mar. 31, 1983

† Based on the average number of shares outstanding

Revenues By Line of Business

	12/31/85	12/31/84
Clocks & watches	\$ 94,497	\$ 102,680
Apparel	61,273	68,555
Specialty prods.	36,665	25,525
Government prods. & services	123,608	89,472
Realty	—	20,246
Total	\$ 316,043	\$ 306,478

Common Stock Equity

	Total Equity *	Equity Per Share
12/31/85	\$ 73,398,000	\$ 12.35
12/31/84	63,479,000	10.71
12/31/83	56,046,000	9.42
3/31/83	49,832,000	8.39
3/31/82	36,061,000	7.49

* After allowing for preferred stock at total involuntary liquidation preference value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	\$ 316,043	\$ 306,478
Cost of sales	225,301	221,395
Expenses	72,609	64,688
Other income	(13,767)	(7,514)
Interest expense	12,368	10,356
Interest capitalized	(476)	(1,339)
Income before taxes	\$ 20,008	\$ 18,892
Income taxes	7,994	8,418
Net Income	\$ 12,014	\$ 10,474

* Included in Costs and Expenses, Depreciation and Amortization: \$8,583,000 in 1985 and \$5,878,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	\$ 2,527	\$ 2,474
Marketable securities	1,200	12,030

Accts. receiv., net	62,616	64,961
*Inventories	118,903	71,066
Deferred inc. taxes	1,043	—
Prepaid expenses	2,633	2,094
Current Assets	\$ 188,922	\$ 152,625
Long-term receiv	22,119	11,338
#Fixed assets	69,589	51,826
Defer. charges & other assets	5,445	4,151
Intangibles	16,543	13,583
Total Assets	\$ 302,618	\$ 233,523

Liabilities
(000's)

Notes payable	\$ 15,000	\$ 553
Long-term debt, curr.	6,044	4,025
Realty debt	7,779	10,051
Accts. payable	16,512	15,228
Accruals	22,206	20,143
Deferred income taxes	—	339
Curr. Liabilities	\$ 67,541	\$ 50,339
Revolving bank debt	11,000	—
Long-term debt	96,995	65,598
Deferred inc. taxes	9,946	7,434
Other liabilities	8,565	8,565
+ Preferred sto. k:		
Series A	87	98
Series B	1,650	1,783
+ + Common stock	5,944	5,925
Add. paid-in capital	44,821	46,486
For curr. trans. adj.	(622)	(1,081)
Retained earnings	56,691	48,376
Total Liabilities & Shareholders' Equity	\$ 302,618	\$ 233,523

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$1 par value, cumulative convertible.

+ + \$1 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.33	6.16
% Net Income to Sales	3.80	3.42
% Net Income to Equity	11.07	10.31
Sales to Inventories	2.66	4.31
Debt to Equity	1.09	0.69
Working Capital	\$121,381,000	\$102,286,000
Current Ratio	2.80	3.03
Shareholders' Equity	\$108,571,000	\$101,587,000

Texfi Industries, Inc.

400 English Road
Rocky Mount, North Carolina 27801

Officers: L. Terrell Sovey, Jr., chairman of the board & chief executive officer; F.B. Lineweaver, president & chief operating officer; Michael A. Miller, v.p.-finance & treasurer; Braxton Schell, secretary.

Directors: Joseph H. Hamilton, Thomas L. Cassidy, L. Terrell Sovey, Jr. *, Braxton Schell, Steven L. Osterweis*, Fred L. Proctor, Sr. *, Albert M. Kronick, James H. Styers*, F.B. Lineweaver.

* Member of the Executive Committee.

Business Activities: Texfi Industries, Inc. is a diversified textile company whose operations include knitting, weaving, dyeing, printing and finishing of fabric for sale to the apparel industry. The Company operates four plants in North Carolina, and sales offices throughout the nation.

Plant Location(s): Rocky Mount, Fayetteville, and Kinston, North Carolina.

Divisions:

Knitting
Kinston, North Carolina

Printing
Goldsboro, North Carolina

Weaving
Rocky Mount & Fayetteville, North Carolina

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Bankers Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: TXF

Sales and Earnings

	Net Sales	Net Income
1984	\$ 119,672,000	\$ (13,316,000)
1983	152,276,000	2,028,000
1982	124,216,000	(4,651,000)
1981	154,564,000	317,000
1980	144,544,000	(21,504,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1984	3,480,246	\$ —
1983	3,490,879	0.58
1982	3,445,197	—
1981	3,446,663	0.09
1980	3,445,197	—

(Loss)

‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	\$ 41,000	\$ 0.01
1983	13,353,000	3.84
1982	11,234,000	3.26
1981	15,915,000	4.62
1980	15,598,000	4.53

Income Account *
(000's)

Year ended	11/2/84	10/28/83
Net sales	\$ 119,672	\$ 152,276
Cost of sales	115,177	134,472
Expenses	9,602	11,614
Interest expense	5,023	4,234
Other charges	647	316
Loss on clos. facility	2,902	748
Gain on repurch. of debent.	(363)	(1,136)
Income (loss) bef. taxes	\$ (13,316)	\$ 2,028
Income taxes	—	257
Net Income (Loss)	\$ (13,316)	\$ 1,771
Extraord. gain	—	257
Net Income (Loss) & extraord. gain	\$ (13,316)	\$ 2,028

* Included in Costs and Expenses, Depreciation and Amortization: \$3,777,000 in 1984 and \$4,407,000 in 1983.

Assets
(000's)

As of	11/2/84	10/28/83
Cash	\$ 603	\$ 1,809
Receiv., net	23,136	30,931
*Inventories	12,921	15,256
Prepaid expenses	186	255
Current Assets	\$ 36,846	\$ 48,251
#Fixed assets	20,344	24,637
Defer. charges & other assets	1,627	1,748
Total Assets	\$ 58,817	\$ 74,636

Liabilities
(000's)

Long-term debt, curr.	\$ 17,734	\$ 832
Sinking fund requirement	1,668	770
Accts. payable	8,126	16,575

Texfi Industries, Inc.

Accrued liab. for clos. facil.	370	576
Other liabilities	4,243	4,099
Curr. Liabilities	\$ 32,151	\$ 22,852
Long-term debt	8,297	18,141
Retirement plan contribution	—	294
Conv. subord. 4 1/4% deb.	18,328	19,996
+ Common stock	3,480	3,479
Add. paid-in capital	23,026	23,023
Retained earnings (deficit)	(26,465)	(13,149)

Total Liabilities & Shareholders' Equity	\$ 58,817	\$ 74,636
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* At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.33
%Net Income to Sales	—	1.16
%Net Income to Equity	—	13.26
Sales to Inventories	9.26	9.98
Working Capital	\$4,695,000	\$25,399,000
Current Ratio	1.15	2.11
Shareholders' Equity	\$ 41,000	\$13,353,000

Thomaston Mills, Inc.

(formerly Thomaston Cotton Mills)

P.O. Box 311
Thomaston, Georgia 30286
(404) 647-7131

Officers: George H. Hightower, chairman; Neil H. Hightower, president; O.R. Lewis, sr. v.p.-director of sales; H. Stewart Davis, sr. v.p.-finishing; Harry W. Ormand, Jr., v.p.-finishing; W. Harrison Hightower, III, v.p.-administration; John R. Carson, v.p.-household sales; John M. Ormand, v.p.-mfg.; Thomas J. Slade, Jr., v.p.-raw material purchases; George H. Hightower, Jr., sr. v.p.-industrial & fabrication sales; Garner M. Ellerbee, secretary; Rosser R. Raines, treasurer; Robert E.L. Greene, v.p.-engineering; Seth R. Sargent, v.p.-industrial relations

Directors: Thomas D. Adams, Jr., Julian T. Hightower*, William H. Hightower, Jr., George H. Hightower*, Jerry Williamson, George H. Hightower, Jr., H. Stewart Davis, Will B. Plowden, Dom H. Wyant, Julian H. Roberts, Neil H. Hightower*.

* Member of the Executive Committee.

Business Activities: Produces apparel fabrics, including denims, twills, and other heavy weight corded fabrics; finishes fabrics for itself and other manufacturers, including shirting corduroy and industrial fabrics finishing; styles and sells sheets. Trade names of sheets and pillow cases are "American Mood", "New Era", "Tender Rest", "Pedigree", "Page", "Tavern", "Pilgrim", and "Fireside". Produces industrial synthetic or blend coating fabrics, ducks, chafer, satens and twills, industrial sewing thread twines, and hose yarns.

Plant Location(s): Thomaston, Griffin & Zebulan, Georgia.

Transfer Agent(s):

The Citizens and Southern National Bank
Stock Transfer Department
P.O. Box 105555
Atlanta, Georgia 30348

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	\$ 132,494,655	\$ (161,938)
1984	145,431,576	2,883,014
1983	122,869,174	519,463
1982*	119,682,845	971,597
1981	131,706,927	2,000,160

	No. of Com. Shares	Earn. per Share \$
1985	821,489	\$ —
1984	821,489	3.51
1983	821,489	0.63
1982*	821,489	1.18
1981	821,489	2.18

(Loss)

* 53 weeks.

† Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$1.00	—	—
1984	0.95	—	—
1983	0.80	—	—
1982	1.10	—	—
1981	1.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 48,388,801	\$ 58.90
1984	49,372,228	60.10
1983	47,269,629	57.54
1982	47,407,357	57.71
1981	47,339,398	57.63

Income Account *

Year ended	6/29/85	6/30/84
Net sales	\$ 132,494,655	\$ 145,431,576
Cost of sales	124,240,062	131,154,838
Expenses	8,972,777	8,349,136
Other income	(336,248)	(306,059)
Gain on conversion	(865,334)	—
Other charges	2,048,336	1,933,647

Income (loss) bef. taxes	\$ (1,564,938)	\$ 4,300,014
Income taxes (credit)	(1,403,000)	1,417,000
Net Income (Loss)	\$ (161,938)	\$ 2,883,014

* Included in Costs and Expenses, Depreciation, \$6,712,989 in 1985 and \$6,178,811 in 1984.

	Assets	
As of	6/29/85	6/30/84
Cash	\$ 886,886	\$ 1,731,076
Accts. receiv., net	22,414,680	24,158,059
*Inventories	21,941,710	24,376,596
Refundable income taxes	468,042	569,935
Other assets	532,873	540,649

Current Assets	\$ 46,244,191	\$ 51,376,315
#Fixed assets	30,491,230	28,475,898
Total Assets	\$ 76,735,421	\$ 79,852,213

	Liabilities	
Accts. payable	\$ 3,322,934	\$ 5,834,780
Local taxes	324,534	351,231
Payroll taxes	803,271	757,568
Other liabilities	1,619,484	1,542,545
Accrued payroll	2,234,547	1,752,155
Long-term debt, curr. portion	308,442	312,788
Curr. Liabilities	\$ 8,613,212	\$ 10,551,067
Equip. note pay.	19,491,325	18,460,993
Deferred inc. taxes	242,083	1,467,925
+ Common stock	9,367,530	9,367,530
Add. paid-in capital	1,190,798	1,190,798
Retained earnings	40,135,753	41,119,180
Treasury stock	(2,305,280)	(2,305,280)

Total Liabilities & Shareholders' Equity	\$ 76,735,421	\$ 79,852,213
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* Raw cotton polyester staple and cotton content of finished goods and work in process at cost (LIFO), which is lower than current replacement market. Other inventories at lower of average cost or market.

Less accumulated depreciation.
+ \$10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.96
%Net Income to Sales	—	1.98
%Net Income to Equity	—	5.84
Sales to Inventories	6.04	5.97
Debt to Equity	0.41	0.38
Working Capital	\$37,630,979	\$40,825,248
Current Ratio	5.37	4.87
Shareholders' Equity	\$48,388,801	\$49,372,228

Tultex Corporation

P.O. Box 5191
Martinsville, Virginia 24115
(703) 632-2961

Officers: William F. Franck, chairman & chief executive officer; H.R. Hunnicutt, Jr., president & chief operating officer; Willard B. Harris, treasurer; William C. Cole, III, vice president-personnel; C. Watson Lawhon, vice president-administration; W.T. Moore, G.W. Fulk, asst. treasurers; D.P. Shook, controller; J.M. Franck, v.p.; J.S. Hairfield, v.p.-marketing; B.A. Ratliff, v.p.-operations; C.F. Williams, v.p.-yarn; Marlene B. Lopez, secretary; Marion P. Yeaman, asst. secretary.

Directors: William F. Franck, Richard J. Conroy, Stanley Y. Starrett, Irving M. Groves, Jr., Robert P. Buford, R.M. Simmons, Jr., John M. Tully, J.B. Frith, C. Watson Lawhon, H.R. Hunnicutt, Jr., J.M. Franck.

Business Activities: Manufactures fleeced and laminated knit sportswear and casual wear and spun yarns for various markets.

Trademarks and/or Brand Names: Discus, Tultex.

Plant Location(s): Rockingham, Kings Mountain, Roxboro, Mayodan, Spindale, Reidsville, Lowell, North Carolina; Martinsville, South Boston, Roanoke, Chilhowie (2), Bastian, Vesta, Virginia.

Divisions and Subsidiaries:

Marketing Division
Manufacturing Division

Tultex Yarns
P.O. Box 1865
Gastonia, North Carolina 28053
(704) 864-7701

Tulstar Factors Inc.
560 Lexington Avenue
New York, New York 10022
(212) 688-9088
Commercial factoring service.

Transfer Agent(s):

Sovran Bank, N.A.
P.O. Box 26904
Richmond, Virginia 23261

Stock Exchange(s): American

Ticker Symbol: TTX

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 259,579,000	\$ 11,911,000
1984	286,269,000	9,720,000
1983	287,974,000	14,550,000
1982	231,700,000	12,609,000
1981	191,975,000	10,066,000

	No. of Com. Shares #	Earn. per Share #
1985	9,006,251	\$ 1.32
1984	8,994,499	1.08
1983	8,972,243	1.62
1982	8,967,698	1.40
1981	8,991,852	1.12

+ Includes other income.

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Apparel	\$ 235,701	\$ 255,940
Yarn	23,878	30,329
Total	\$ 259,579	\$ 286,269

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	\$0.45	—	—
1984	0.42	—	—
1983	0.35	—	2-for-1
1982	0.28	—	—
1981	0.25	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1985	\$ 85,878,000	\$ 9.54
1984	78,030,000	8.68
1983	71,347,000	7.95
1982	59,857,000	6.67
1981	50,964,000	5.66

+ After allowing for preferred stock at par value.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	11/29/85	11/30/84
Net sales & other income	\$ 259,579	\$ 286,269
Cost of sales	190,409	214,732
Expenses	34,438	40,125
Depreciation	7,216	6,591
Interest expense	6,732	8,473
Income bef. taxes	\$ 20,784	\$ 16,348
Income taxes	8,873	6,628
Net Income	\$ 811,911	\$ 9,720

Assets
(000's)

As of	11/29/85	11/30/84
Cash	\$ 4,230	\$ 3,506
Accts. receiv., net	67,908	69,880
*Inventories	46,304	56,914
Prepaid expenses	1,061	1,311
Current Assets	\$ 119,503	\$ 131,611
Unexpended note proceeds	1,379	6,207
#Fixed assets	53,193	49,384
Total Assets	\$ 174,075	\$ 187,202

Liabilities
(000's)

	11/29/85	11/30/84
Notes payable	\$ 5,000	\$ 29,400
Long-term debt, curr.	2,414	2,877
Accts. payable	11,833	7,619
Accruals	3,587	3,726
Accrued payroll	9,737	9,446
Dividends payable	1,091	1,001
Income taxes	555	532
Current Liabilities	\$ 34,217	\$ 54,601
Long-term debt	41,768	50,167
Deferred income	441	121
Deferred inc. taxes	5,407	3,461
Exc. value of assets over cost	5,542	—
+ Preferred stock	822	822
+ + Common stock	9,082	9,082
Add. paid-in capital	1,746	1,741
Retained earnings	75,377	67,560

Treasury stock	(327)	(353)
Total Liabilities & Shareholders' Equity	\$ 174,075	\$ 187,202

* At lower of cost (LIFO or FIFO) or market
 # Less accumulated depreciation.
 + \$100 par value; 5% cumulative.
 + + \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.01	5.71
%Net Income to Sales	4.59	3.40
%Net Income to Equity	13.74	12.33
Debt to Equity	0.57	1.05
Working Capital	\$85,286,000	\$77,010,000
Current Ratio	3.49	2.41
Shareholders' Equity	\$86,700,000	\$78,852,000

Unifi, Inc.

7201 West Friendly Road
 Greensboro, North Carolina 27410

Mailing address:
 P.O. Box 19109
 Greensboro, North Carolina 27419

Officers: G. Allen Mebane, chairman of the board; William T. Kretzer, president & chief exec. officer; Jerry W. Eller, Robert A. Ward, G. Alfred Webster, exec. v.p.'s; James A. Dunn, Raymond W. Maynard, Jerry R. Moore, Richard L. Widenhouse, John F. Glenn, Stewart Q. Little, Gregg H. Lowe, vice presidents; C. Clifford Frazier, Jr., secretary.

Directors: G. Allen Mebane, J. Richard Hardin, Robert A. Ward, Kenneth G. Langone, Charles R. Carter, Roy H. Lawrence, C. Clifford Frazier, Jr.

Business Activities: Engaged in the texturizing and sale of polyester filament yarn.

Plant Location(s): Yadkinville, N.C.; Letterkenny, County Donegal, The Republic of Ireland.

Divisions and Subsidiaries:

Unifi Textured Yarns Europe, Ltd.
 Letterkenny, Republic of Ireland

Unifi International Service Inc.
 Greensboro, N.C. and London, England

Unifi FSC, Ltd.
 Agana, Guam

Unifi Consulting Division
 Greensboro, N.C.

Transfer Agent(s):

First Union National Bank
 Charlotte, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UNFI (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 216,039,060	\$ 6,337,547
1984	216,520,150	7,349,970
1983	176,019,004	4,454,359
1982	230,142,366	10,874,437
1981	196,309,648	7,643,788
	No. of Com. Shares ‡	Earn. per Share ‡ †
1985	6,367,418	\$ 1.00
1984	7,014,967	1.05
1983	6,093,765	0.73
1982	5,809,001	1.87
1981	5,704,351	1.33

† Including extraordinary loss of \$3,807,000 (\$0.62 per share) in 1983 and extraordinary gain of \$826,000 (\$0.18 per share) in 1981.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	25%	—
1982	—	25%	—
1981	—	20%	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 71,312,235	\$ 11.38
1984	68,075,517	10.39
1983	60,675,780	9.26
1982	39,125,497	6.82
1981	24,483,063	4.35

‡ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 216,039,060	\$ 216,520,150
Cost of sales	193,655,472	191,073,181
Expenses	10,218,611	10,510,250
Interest expense	1,834,664	1,294,659
Other income	(650,454)	(586,543)
For. curr. loss (gain)	(189,518)	759,832
Income before taxes	\$ 11,170,285	\$ 13,468,771
Income taxes	4,832,738	6,118,801
Net Income	\$ 6,337,547	\$ 7,349,970

* Included in Costs and Expenses, Depreciation: \$6,514,345 in 1985 and \$5,908,236 in 1984.

Assets

As of June 30	1985	1984
Cash	\$ 1,524,160	\$ 668,602
Investments	24,846,757	29,739,441
Receivables	40,623,286	39,487,684
*Inventories	10,372,973	14,757,638
Prepaid expenses	957,311	862,877
Current Assets	\$ 78,324,487	\$ 85,516,242
#Fixed assets	33,364,866	34,295,838
Defer. charges & other assets	1,904,787	2,039,529
Total Assets	\$ 113,594,140	\$ 121,851,609

Liabilities

Long-term debt, curr.	\$ 2,873,250	\$ 5,544,561
Accts. payable	16,187,604	18,069,058
Accruals	3,887,042	3,383,464
Income taxes	411,035	2,067,637
Curr. Liabilities	\$ 23,358,931	\$ 29,064,720
Long-term debt	3,900,750	6,957,000
Subord. long-term debt	11,692,656	15,302,243
Deferred inc. taxes	3,329,568	2,452,129
+ Common stock	626,503	655,453
Add. paid-in capital	18,130,121	20,568,421
Retained earnings	53,139,423	46,801,876
For. curr. trans. adjust.	(583,812)	49,767
Total Liabilities & Shareholders' Equity	\$ 113,594,140	\$ 121,851,609

* At LIFO. Foreign inventories at FIFO.
 # Less accumulated depreciation and amortization.
 + \$0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.17	6.22
%Net Income to Sales	2.93	3.39
%Net Income to Equity	8.89	10.80
Sales to Inventories	20.83	14.67

Unifi, Inc.

Debt to Equity	0.26	0.41
Working Capital	\$54,965,556	\$56,451,522
Current Ratio	3.35	2.94
Shareholders' Equity	\$71,312,235	\$68,075,517

Uniroyal, Inc.

(As of September 24, 1985, all of the Company's common stock is held by DCU Holding, Inc. due to its merger with Uniroyal, Inc. The Company's first preferred stock remains outstanding.)

World Headquarters
Middlebury, Connecticut 06749
(203) 573-2000

Officers: Joseph P. Flannery, chairman of the board, president & chief executive officer; Earl A. Carrara, v.p.-operating services; John R. Graham, v.p.-finance & chief financial officer; Ronald H. Hawkins, v.p.-human resources; Frank J. Longio, v.p. & treasurer; William J. Palmer, secretary; Alan R. Elton, v.p. & gen. counsel; Alexander R. Castaldi, v.p. & controller.

Directors: Joseph P. Flannery*, chairman; Ross Barzelay, David Beretta, W. Thomas York*, Howard B. Wentz, Jr., Leon D. Black, Martin H. Dubilser*, Joseph L. Rice, III*.

* Member of the Executive Committee.

Business Activities: Engaged in the production of polymers, textiles, chemicals and fabricated products. Manufactures automotive and off-the-road tires, industrial rubber products, agricultural and rubber processing chemicals, footwear, protective clothing, industrial textiles, storage containers, pollution control devices, conveyor belts, coated fabrics for the furniture, transportation, footwear, luggage and clothing industries. Textile products include: industrial hose and belt yarns; high temperature yarns and fabrics; synthetic industrial fabrics; nylon, polyester, glass, and wire tire fabrics.

Textile Trademarks and/or Brand Names: Capilair, Naugahyde, Powergrip, UsFlex, Flex-Light, Triton, Sealdin, Royalite, Tredaire, Royalex, MineFlex, Ensolite, Ensocote, USCO.

Plant Locations(s): Hogansville, Ga.; Winnesho, S.C.; Shelbyville, Tn.; Scottsville, Va.

Divisions and Subsidiaries:

Uniroyal Power Transmission Company Inc.
Uniroyal Plastic Company, Inc.
Uniroyal Properties, Inc.
Uniroyal Tire Company, Inc.

all at:

Uniroyal, Inc. World Headquarters
Middlebury, Connecticut 06749

Uniroyal, Textile Products
Winneboro, South Carolina 29180

Uniroyal, Ltd.
895 Don Mills Road
Don Mills, Ontario
M3C 1W3 Canada

Uniroyal Chemical Company, Inc.
Elm Street
Naugatuck, Connecticut 06770

Transfer Agent(s):

Manufacturers Hanover Trust (preferred)
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York,

Ticker Symbol: UNR

Sales and Earnings X

	Net Sales +	Net Income †
1985*	\$1,568,000,000	\$ 44,000,000
1984	2,122,000,000	77,000,000
1983	1,936,000,000	67,000,000

1982	1,836,000,000	26,000,000
1981	2,064,000,000	52,000,000

	No. of Com. Shares	Earn. per Share † †
1985*	34,703,000	\$ 1.18
1984	33,970,000	2.13
1983	33,672,000	2.03
1982	N.A.	0.78
1981	N.A.	1.76

N.A. - Not Available

* 9 months

+ Of continuing operations only.

† Including extraordinary gains of \$79,000,000 (\$2.16 per share) in 1984 and \$15,000,000 (\$0.43 per share) in 1983.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business (000's)

	1985	1984
Tire & related products	\$ 757,000,000	\$1,019,000,000
Chemical, rubber & plastics materials	493,000,000	672,000,000
Engineered prods. & serv.	318,000,000	431,000,000
Total	\$1,568,000,000	\$2,122,000,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985*	\$0.14	—	—
1984	0.09	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 715,000,000	\$ 20.60
1984	666,000,000	19.61
1983	611,000,000	18.15
1982	472,000,000	—
1981	460,000,000	—

Income Account * (000's)

Year ended	9/29/85 (9 months)	12/30/84
Net sales	\$ 1,568,000	\$ 2,122,000
Cost of sales	1,261,000	1,700,000
Expenses	198,000	272,000
Interest expense	27,000	39,000
Other income	(14,000)	(35,000)
Tender offer	22,000	—
Income bef. taxes	\$ 74,000	\$ 146,000
Income taxes	36,000	46,000
Inc. from cont. oper.	\$ 38,000	\$ 100,000
Inc. (loss) from discount oper.	6,000	(45,000)
Net Income	\$ 44,000	\$ 55,000
Extraord. gain	—	79,000
Cum. effect of acctg. change	—	(57,000)
Net Income & extraord. credit	\$ 44,000	\$ 77,000

* Included in Costs and Expenses. Depreciation: \$46,000,000 in 1985 and \$58,000,000 in 1984.

Assets (000's)

As of	12/30/84
Cash	\$ 8,000
Accts. receiv., net	373,000
*Inventories	345,000
Deferred inc. taxes	41,000
Current Assets	\$ 847,000

Investments & adv. - affil.	36,000
#Fixed assets	493,000
Other assets	71,000
Net assets - discount oper.	6,000
Total Assets	\$ 1,453,000

Liabilities (000's)

Short-term debt	\$ 61,000
Accts. payable	129,000
Accrued taxes	36,000
Accruals pension liab.	74,000
Other accruals	119,000
Curr. Liabilities	\$ 419,000
Long-term debt	169,000
Cap. lease oblig.	86,000
Deferred inc. taxes	23,000
Other liabilities	29,000
+ Preferred stock	65,000
+ + Common stock	43,000
Add. paid-in capital	172,000
Retained earnings	525,000
Accum. trans. adjust.	(65,000)
Treasury stock	(13,000)
Total Liabilities & Shareholders' Equity	\$ 1,453,000

* At lower of cost (FIFO & monthly average) or market.

Less accumulated depreciation.

+ \$100 par value; 8% cumulative.

+ + \$1.25 par value.

United Merchants and Manufacturers, Inc.

1407 Broadway
New York, New York 10018
(212) 930-3900

Officers: Martin J. Schwab, chairman of the board; Uzi Ruskin, president, treasurer, chief executive, chief financial & chief operating officer; Lawrence Marx, Jr., secretary; Sidney O. Margolis, exec. v.p. & asst. secretary; Robert D. Mathews, Tomas Furth, exec. v.p.'s; Lawrence B. Danza, James R. Henderson, William Iannone, v.p.'s; Hollowell C. Nixon, sr. v.p.; Joel D. Sollender, sr. v.p. & asst. secretary; Judith A. Nadzick, sr. v.p., corporate comptroller & chief accounting officer; Edmund M. Bamberger, Stephen Greenwald, Thomas F. G. Abraham, Cleland T. Reed, James P. Spallina, Arthur C. Charwat, William H. Carroll, William J. Courtad, Joseph V. Gatta, Bernard G. Mayers, Robert M. Smith, v.p.'s; Herbert J. Tamres, v.p. & general counsel; Iran H. Cagan, v.p. & treasurer.

Directors: John K. Schemmer, Uzi Ruskin*, Michael Schiff, Peter A. Cohen*, Menachem J. Atzmon, Lawrence Marx, Jr., William M. Rees*, Martin J. Schwab*, Richard Bassuk, Sidney O. Margolis, Robert D. Mathews, Jack H. Nusbaum*, S. Arnold Hickox, Thomas Furth.

* Member of the Executive Committee.

Business Activities: Supplies styled woven and knitted fabrics for men's, women's and children's apparel and for home furnishings; the "Ameritex" division is the company's main finished goods distributors to the apparel trades; "Uniblend" spinners supply styled yarn to the weaving and knitting trades; home furnishings' lines include "Cohama Riverdale," "Kenneth," "Town and Country Living," "ConTact," "Spun-Stretch," and "Roomaker." It also manufactures and distributes glass fabrics ("Uniglass") and plastic products ("Comark," "ConTact," "Kwik-Kover," "Thalco," and "Glascoat"). Important manufacturing operations are located in Argentina, Brazil, Colombia, Uruguay, Venezuela, Canada, France and Great Britain.

Plant Location(s): New York, Georgia, Massachusetts, Florida, Indiana, Ohio, South Carolina.

Divisions and Subsidiaries:

Merchandising and Distributing Units

Vertipile, Inc.

Glascot Florida, Indiana, South Carolina, Arkansas & Ohio	1983	478,309,000	(2,711,000)
	1982	561,446,000	95,488,000
	1981	669,564,000	(2,873,000)
Comark Plastics New York		No. of Com. Shares ‡	Earn. per Share ‡#
Thalco California	1985	8,930,000	\$ —
	1984	8,740,000	1.41
	1983	7,834,220	—
	1982	6,762,212	14.12
	1981	5,936,667	—

Cohama Riverdale Decorative Fabrics
New York, New York

Ameritex
New York

Seneca Textile
New York, New York

Sudamtex de Uruguay, S.A. (95% owned)
Colonia, Uruguay

Sudamtex de Venezuela, C.A. (72% owned)
Maracay, Venezuela

S.A. Cotonificio Gaveo
Brazil

Cohama Specifier Contract Fabrics
New York

Riverdale Manufactured Products
New York

Polimeros Uruguayos S.A. (36% owned)
Uruguay

Polyform, S.A. (95% owned)
Uruguay

Spun Glass Limited
Sherborne, England

Sudamtex, S.A. (84% owned)
Argentina

Urace, S.A.
Uruguay

Venasetta, C.A. (72% owned)
Venezuela

Selling Agents

United Merchants World-Wide Sales
New York, New York

United Merchants Sales
New York, New York

C.A. Inversiones Aragua (72% owned)
Venezuela

Urace, S.A. (95% owned)
Colonia, Uruguay

Venasetta, C.A. (72% owned)
Venezuela

Polimeros Uruguayos S.A. (36% owned)
Uruguay

Acquisition(s):

Jonathan Logan, Inc.

Produces women's apparel, women and children's footwear, men and women's rainwear, leather products and women's swimwear.

Transfer Agent(s):

Registrar and Transfer Co.
Cranford, New Jersey

Stock Exchange(s): New York, Pacific

Ticker Symbol: UMM

Sales and Earnings

	Net Sales +	Net Income #
1985	\$ 795,360,000	\$ (20,366,000)
1984	563,193,000	12,350,000

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.
Including extraordinary credits of \$217,000 (\$0.02 per share) in 1985, \$1,324,000 (\$0.15 per share) in 1984, \$3,303,000 (\$0.42 per share) in 1983, \$139,479,000 (\$20.63 per share) in 1982 and \$3,462,000 (\$0.59 per share) in 1981.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 148,157,000	\$ 16.59
1984	167,462,000	19.16
1983	156,388,000	19.96
1982	158,585,000	23.45
1981	56,305,000	9.48

‡ Based on the average number of shares outstanding

Income Account * (000's)

Year ended June 30	1985	1984
Net sales	\$ 795,360	\$ 563,193
Cost of sales	602,899	445,900
Expenses	133,361	73,615
Interest expense	48,694	20,952
Interest income	(5,976)	(3,023)
Loss from relocation	23,586	—
Gain on sale	(4,187)	—
Other income	(1,266)	(1,046)
Inc. (loss) bef. taxes	\$ (1,751)	\$ 26,795
Income taxes	14,787	12,948
Minority interests	4,045	2,821
Net Income (Loss)	\$ (20,583)	\$ 11,026
Extraord. credit	217	1,324
Net Income (Loss) & Extraord. Credit	\$ (20,366)	\$ 12,350

* Included in Costs and Expenses, Depreciation and Amortization: \$16,753,000 in 1985 and \$14,651,000 in 1984.

Assets (000's)

As of June 30	1985	1984
Cash	\$ 15,996	\$ 23,939
Receivables, net	184,270	102,347
*Inventories	224,721	115,664
Prepaid expenses & other assets	38,581	23,219
Current Assets	\$ 463,568	\$ 265,169
#Fixed assets	158,071	135,265
Invest. in for. ventures	2,595	5,587
Invest. in eq. secur.	—	14,704
Other assets & deferred charges	27,062	9,936
Goodwill	78,005	—
Total Assets	\$ 729,301	\$ 430,661

Liabilities (000's)

Notes & advances payable	\$ 13,037	\$ 4,802
Long-term debt, curr.	17,962	10,344
Accts. payable & accruals	145,066	72,437
Foreign income taxes	6,969	5,107

Curr. Liabilities	\$ 183,034	\$ 92,690
Long-term debt	867,844	140,167
Other liabilities	30,266	30,342
+ Common stock	8,807	8,431
Add. paid-in capital	48,076	46,289
Retained earnings	96,589	116,955
For. curr. trans. adjust.	(2,315)	(2,213)
Notes receivable	(3,000)	(2,000)

Total Liabilities &
Shareholders' Equity \$ 729,301 \$ 430,661

* At lower of cost (principally average or FIFO) or market.

Less accumulated depreciation and amortization.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.76
%Net Income to Sales	—	1.96
%Net Income to Equity	—	6.58
Sales to Inventories	3.54	4.87
Debt to Equity	2.48	0.84
Working Capital	\$280,534,000	\$172,479,000
Current Ratio	2.53	2.86
Shareholders' Equity	\$148,157,000	\$167,462,000

Vertipile, Inc.

P.O. Box 2139
Fall River, Massachusetts 02722
(617) 534-6191

Officers: Alan E. Symonds, chairman of the board & president; Arthur W. Hall, exec. v.p. & secretary; Thomas J. Finneran, v.p.-sales; H. David Harmoning, v.p.-mfg.; Leominster, John W. McKinney, v.p.-mfg., Fall River; Geoffrey H. O'Brien, v.p.-merchandising; Hemendra K. Shah, v.p.-research & development; Carl F. Steinfield, v.p. & gen. mgr.-flock operations; Phillip S. Sumpter, v.p.-finance & treasurer; George T. Enos, controller

Directors: Alan E. Symonds, chairman; Archer L. Bolton, Jr., John E. Buckley, Edward Creiger, Arthur W. Hall, Herbert W. Marache, Jr., John C. Moore, III, Carl F. Steinfield, Edward B. Stevens.

Business Activities: Manufactures flat fabrics, pile fabrics, flock and flock-coated products for the upholstery industry.

Plant Locations: Fall River, Leominster, Massachusetts.

Subsidiaries:

Claremont Flock Corporation
Leominster, Massachusetts

Quaker Fabric Corporation
Fall River, Massachusetts

Transfer Agent(s):

Fleet National Bank

Stock Exchange(s): American

Ticker Symbol: VRT

Sales and Earnings

	Net Sales +	Net Income +
1986	\$ 118,300,000	\$ 916,000
1985*	104,318,000	(1,840,000)
1984	24,339,000	578,000
1983	20,394,000	136,000
1982	23,536,000	832,000
	No. of Com. Shares ‡	Earn. per Share ‡
1986	1,652,592	\$ 0.55
1985*	1,583,519	—
1984	1,305,832	0.44
1983	N.A.	0.11
1982	N.A.	0.65

(Loss)

N.A. - Not Available.

* 53 weeks.

+ Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Vertipile, Inc.

Common Stock			
	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	\$0.10	—	—
1984	0.075	—	—
1983	0.10	—	—
1982	0.15	—	—

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1986	\$ 10,064,990	\$ 6.09
1985	9,050,450	5.72

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *		
Year ended	3/1/86	3/2/85 (53 weeks)
Net sales	\$ 118,299,654	\$ 104,317,694
Cost of sales	98,892,547	87,906,613
Expenses	16,090,065	14,511,374
Interest expense	3,586,543	3,333,206
Life insur. proceeds	(1,156,000)	—
Plant closing costs	—	1,500,000
Other expense (income)	(29,153)	14,368
Inc. (loss) bef. taxes	\$ 915,652	\$ (2,947,867)
Tax credit	—	(1,107,794)
Net Income (Loss)	\$ 915,652	\$ (1,840,073)

* Included in Costs and Expenses. Depreciation: \$2,229,786 in 1986 and \$1,552,415 in 1985.

Assets		
As of	3/1/86	3/2/85
Cash	\$ 393,468	\$ 316,769
Temp. cash invest.	10,000	10,000
Accts. receiv., net	7,230,742	6,844,374
Refundable taxes	—	1,453,006
*Inventories	17,809,056	18,318,095
Prepaid expenses	541,019	224,674
Current Assets	\$ 25,984,285	\$ 27,166,912
#Fixed assets	17,100,979	16,947,606
Other assets	631,629	809,615
Total Assets	\$ 43,716,893	\$ 44,924,133

Liabilities		
Notes payable	\$ 65,073	\$ 462,157
Long-term debt, curr.	1,886,434	339,396
Accts. payable & accruals	6,307,462	8,880,795
Accrued compensation	2,545,416	2,658,206
Income taxes	651,752	190,621
Curr. Liabilities	\$ 11,456,137	\$ 12,531,175
Long-term debt	20,669,222	22,053,276
Other liabilities	1,526,544	1,289,232
+ Common stock	16,670	16,385
Add. paid-in capital	4,859,864	4,761,261
Retained earnings	5,188,456	4,272,804
Total Liabilities & Shareholders' Equity	\$ 43,716,893	\$ 44,924,133

* At lower of cost (LIFO) or market.
Less accumulated depreciation.
+ \$0.01 par value.

Statistical Summary		
%Net Income to Sales	0.77	—
%Net Income to Equity	9.10	—
Sales to Inventories	6.64	5.69
Debt to Equity	2.25	2.53
Working Capital	\$14,528,148	\$14,635,737
Current Ratio	2.27	2.17
Shareholders' Equity	\$10,064,990	\$ 9,050,450

VF Corporation

1047 North Park Road
Wyoimissing, Pennsylvania 19610
(215) 378-1151

Officers: Lawrence R. Pugh, chairman of the board & chief executive officer; Robert E. Gregory, Jr., president & principal operating officer; Larry J. Weidenheimer, Norman L. Cochran, Wayne L. Bildahl, Harold E. Addis, Robin M. Lewis, Christopher L. Schaller, Janet J. Peters, Ardy A. Kussman, Prakash C. Bhatt, vice presidents; Harold D. McKenny, v.p. & treasurer; Lori M. Tarnoski, v.p. & secretary; Jerome M. Wiggins, v.p. & chief financial officer; Louis J. Fecile, Frank C. Pickard, III, asst. treasurers; Kenneth E. Beyers, controller; John R. Patterson, asst. controller.

Directors: Lawrence R. Pugh*, chairman; Helen F. Boehm, William E. Pike*, Robert E. Gregory Jr. *, Roger S. Hillas, Leon C. Holt, Jr., J. Berkley Ingram, Jr., Robert F. Longbine*, Robert D. Buzzell, William H. Blount, M. Rust Sharp, L. Dudley Walker.

* Member of the Executive Committee.

Business Activities: Designs, manufactures and markets women's intimate apparel and knitted fleeced activewear, jeanswear and casual apparel for men, women and children.

Trademarks and/or Brand Name: Lee, Woollensence, Snagallure, Dress Blues, Lee Riders, Ms. Lee, Ultracord, Bassett-Walker, Gadabouts, Lollipop, Mr. Jern Globe, Skeets, Brier-creek, Statler, Troutman, Planks, Hathaway, Willis & Geiger

Divisions and Subsidiaries:

Vanity Fair Mills, Inc.
640 Fifth Avenue
New York, New York 10019
Loungewear, sleepwear, lingerie and undergarments

Lee Apparel Company, Inc.
9001 West 67th Street
Merriam, Kansas 66202
Western, leisure and work apparel for both men and women. Labels include Lee®, Lee Leans, Lee Leesures, Ms. Lee®, Lee Riders® and Lady Lee clothing for men, women and children.

VF International Division, Inc.
1047 North Park Road
Wyoimissing, Pennsylvania 19610
Markets Lee and Vanity Fair products overseas.

Bassett & Walker, Inc.
P.O. Box 5423-Walker Road
Martinsville, Virginia 24115
Knitted, fleeced activewear such as sweatshirts, sweatpants, jogging suits and jackets for men, women and children.

Modern Globe, Inc.
902-914 Elkin Highway
North Wilkesboro, North Carolina 28659
Women's cotton panties and cotton knit sleepwear; men's cotton tee shirts and undershorts.

Troutman Industries, Inc.
155 South Eastway Drive
Troutman, North Carolina 28166
Men's and boy's casual slacks and shorts.

Willis & Geiger, Inc.
31 West 27th Street
New York, New York 10001
Adventure/expedition apparel.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: VFC

Sales and Earnings		
	Net Sales	Net Earnings
1985	\$1,481,182,000	\$ 139,417,000
1984	1,167,356,000	124,746,000
1983	1,100,956,000	119,401,000
1982	879,528,000	91,623,000
1981	746,265,000	52,205,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	30,981,598	\$ 4.50
1984	31,853,049	3.92
1983	32,791,790	3.64
1982	32,533,452	2.82
1981	32,323,064	1.62

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business (000's)		
	1985	1984
Foundations, lingerie & loungewear	\$ 204,045	\$ 196,450
Leisure, work, western & career apparel	941,966	883,591
Knitted, fleeced activewear	248,348	48,263
Other	86,823	39,052
Total	\$ 1,481,182	\$ 1,167,356

Common Stock			
	Cash Dividend †	Stock Dividend	Stock Split
1985	\$1.16	—	—
1984	1.03	—	—
1983	0.85	—	2-for-1
1982	0.65	—	2-for-1
1981	0.53	—	—

† Adjusted to reflect stock splits.

Common Stock Equity		
	Total Equity	Equity Per Share ‡
1985	\$ 554,223,000	\$ 17.89
1984	441,370,000	14.27
1983	399,911,000	12.18
1982	309,816,000	9.46
1981	242,423,000	7.50

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *		
Year ended	1/4/86	12/29/84
Net sales	\$1,481,182,000	\$1,167,356,000
Other income	11,263,000	17,558,000
Total income	\$1,492,445,000	\$1,184,914,000
Cost of sales	951,368,000	742,959,000
Expenses	239,825,000	191,589,000
Interest & other exp.	29,135,000	9,735,000
Income before taxes	\$ 272,117,000	\$ 240,631,000
Income taxes	132,700,000	115,885,000
Net Income	\$ 139,417,000	\$ 124,746,000

* Included in costs and Expenses. Depreciation: \$50,075,000 in 1985 and \$26,842,000 in 1984.

Assets		
As of	1/4/86	12/29/84
Cash & investments	\$ 68,483,000	\$ 54,527,000
Accts. receiv., net	148,423,000	135,750,000
*Inventories	208,745,000	175,812,000
Other assets	11,153,000	11,928,000
Current Assets	\$ 436,804,000	\$ 378,017,000
Investments & other assets	107,851,000	125,591,000
#Fixed assets	315,538,000	304,067,000
Total Assets	\$ 860,193,000	\$ 807,675,000
Liabilities		
Notes payable	\$ 3,948,000	\$ 67,126,000
Long-term debt, curr.	38,476,000	7,930,000
Accts. payable	48,124,000	41,328,000
Accrued payroll	19,903,000	15,556,000

Income taxes	19,440,000	38,845,000
Other liabilities	15,161,000	17,989,000
Curr. Liabilities	\$ 145,052,000	\$ 188,774,000
Long-term debt	124,280,000	153,294,000
Other liabilities	3,948,000	2,015,000
Deferred inc. taxes	32,690,000	22,222,000
+ Common stock	31,097,000	30,924,000
Add. paid-in capital	36,073,000	32,306,000
Translation adjust.	(12,354,000)	(17,871,000)
Retained earnings	499,407,000	396,011,000
Total Liabilities & Shareholders' Equity	\$ 860,193,000	\$ 807,675,000

* At lower of standard cost (which approximates FIFO) or market.
Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	18.37	20.61
%Net Income to Sales	9.41	10.69
%Net Income to Equity	25.16	28.26
Sales to Inventories	7.10	6.64
Debt to Equity	0.30	0.52
Working Capital	\$291,752,000	\$189,243,000
Current Ratio	3.01	2.00
Shareholders' Equity	\$554,223,000	\$441,370,000

Warnaco, Inc.

(Became a privately held corporation in May 1986.)

350 Lafayette Street
Bridgeport, Connecticut 06601
(203) 579-8094

Officers: Robert J. Matura, chairman of the board & chief executive officer; Larry L. Pfeiffer, president & chief operating officer; Lloyd P. Stauder, sr. v.p.-chief administrative officer & general counsel; Arthur H. Warshaw, sr. v.p.; Paul R. Olson, controller; David R. Tobin, secretary, asst. general counsel; Allen Finkenauer, asst. treasurer-tax admin.; Jessie L. Buckhold, Shirley M. Fortin, asst. secretaries.

Directors: William M. Fine, W.S. Warner, C.J. Kittredge, John W. Field, Robert N. Anthony, William T. French, Richard Oppenheimer, Robert P. Jensen, Richard F. Kral, Robert J. Matura, Larry L. Pfeiffer, C. Edward Acker, Aldo Papone.

Areas of Work: Diversified manufacturer and marketer of apparel. Men's wear includes "Puritan" and "Thane" sport shirts and sweaters; "The Sporting Life" tennis and golf leisurewear; "Hathaway" dress and sport shirts; "Christian Dior" dress shirts and ties; "Chaps by Ralph Lauren" dress and sport shirts and ties; "Fruit of the Loom" sportswear; "Rod Laver" tenniswear. Women's wear includes "White Stag" sportswear; "Warner's" intimate apparel; "LW & Company" junior sportswear; "Jerry Silverman" fashion dresses. The Recreation and Leisure Group includes "Hirsch-Weiss", "White Stag" and "Stag" camping equipment; "Aquanetics" water-sports equipment; "Speedo" swimsuits and cover-ups; "White Stag" skiwear, tenniswear and warmup suit; "Mountain Goat", "Expertise", "Touring" and "Edelweiss" skiwear. Warnaco International includes "Warner's" intimate apparel, "White Stag" sportswear; "Croydon" rainwear, uniforms and outerwear; "High Tide" swimwear; "Don Parker" and "Canada Day's" slacks; "Rosanna" sweaters and knits; "SW1" and "SW2" sweaters and sportswear and an investment in Speedo Holdings of Australia.

Trademarks and/or Brand Names: Edelweiss, Stag, Croydon, Don Parker, Hathaway, Hirsch-Weiss, Snowlark, Foxfire, White Stag, Expertise, Touring, Puritan, Rosanna, Speedo, The Sporting Life, LW & Company, Aquanetics, Mountain Goat, Christian Dior, Chaps, Rod Laver, Fruit of the Loom, SW1, Thane, Warner's, Bleachers, Shine-On, Laurels, Diamond Lites, Collector's Items, Moorings, Man With Eyepatch.

Divisions:

Hathaway
Waterville, Maine; New York, New York
Plants: Waterville & Dover-Foxcroft, Maine; Ciales, Puerto Rico; New York, New York

Warnaco Men's Sportswear
Altoona & Duncansville, Pennsylvania; Aguas Buenas, Comerio & Cidra, Puerto Rico; Pembroke, Georgia.

Puritan Sportswear
New York, New York; Altoona, Pennsylvania.

Thane
New York, New York; Altoona, Pennsylvania.

White Stag (Sportswear and Action Sports)
Portland, Oregon; New York, New York
Plants: Sylvania, Georgia; Checotah, Oklahoma; Portland, Oregon; Murfreesboro, Tennessee; Juarez, Mexico.

Warner's
Bridgeport, Connecticut; New York, New York
Plants: Dothan, Alabama; Stratford, Connecticut; Thomasville, Georgia; Barbourville, Kentucky; Arecibo & Guaynabo, Puerto Rico; La Romana, Dominican Republic; Juarez, Mexico; San Jose, Costa Rica; Puerto Covest, Honduras.

Hirsch-Weiss
Portland, Oregon; Carson City, California.

Warnaco International
Bridgeport, Connecticut; New York, New York; London, England; Paris, France; Prescott, Ontario, Canada; Hong Kong
Plants: Dour & Frameries, Belgium; Nottingham & Scunthorpe, England; Toluca & Juarez, Mexico; Dromore, Northern Ireland; Canada-Ottawa & Prescott, Ontario; Montreal & Sherbrooke, Quebec; Edmonton, Alberta; Moose Jaw, Saskatchewan, West Deptford, New Jersey.

The Olga Company
Manufactures shapewear, daywear and sleepwear.

Transfer Agent(s):
Manufacturers Hanover Trust Company
Shareholder Relations Department
P.O. Box 24935
Church Street Station
New York, New York 10242

Stock Exchange(s): New York, Boston

Ticker Symbol: WRC

Sales and Earnings

	Net Sales	Net Income
1984	\$ 561,391,000	\$ 20,474,000
1983	497,260,000	28,342,000
1982	493,590,000	24,126,000
1981	478,883,000	21,166,000
1980*	465,009,000	16,590,000

	No. of Com. Shares †	Earn. per Share †
1984	10,154,936	\$ 2.02
1983	10,105,071	2.80
1982	9,276,714	2.58
1981	8,547,000	2.44
1980*	8,392,568	1.94

* 53 weeks.

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1984	1983
Women's wear	\$ 194,800	\$ 150,900
Men's wear	228,200	213,200
Recreation & leisure	50,100	49,000
International	72,800	71,400
Total	\$ 545,900	\$ 349,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1984	\$0.88	—	—
1983	0.70	—	2-for-1
1982	0.60	—	—
1981	0.50	—	—
1980	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1984	\$ 174,679,000	\$ 17.20
1983	164,461,000	16.28
1982	141,188,000	15.22
1981	118,322,000	13.84
1980	94,414,000	11.25

‡ After allowing for preferred stock at aggregate liquidation value.

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	12/29/84	12/31/83
Net sales	\$ 561,391	\$ 497,260
Cost of sales	369,045	320,013
Expenses	141,415	116,011
Emp. retire plan	5,607	5,328
Interest expense	9,120	5,510
Income before taxes	\$ 36,204	\$ 50,398
Income taxes	14,826	21,380
Minority interest	904	676
Net Income	\$ 20,474	\$ 28,342

* Included in Costs and Expenses, Depreciation and Amortization: \$6,440,000 in 1984 and \$6,635,000 in 1985.

Assets

As of	12/29/84	12/31/83
Cash & time deposits	\$ 12,797	\$ 37,890
Accts. receiv., net	101,369	78,939
Refundable taxes	—	148
*Inventories	145,217	101,491
Prepaid expenses	11,268	8,199
Current Assets	\$ 270,651	\$ 226,667
Investments & deferred charges	12,954	10,589
#Fixed assets	49,309	37,029
Intangibles	5,559	4,343
Total Assets	\$ 338,473	\$ 278,628

Liabilities

	12/29/84	12/31/83
Notes payable	\$ 42,884	\$ 3,698
Long-term debt, curr.	5,351	5,098
Accts. payable	22,261	22,089
Accruals	26,309	20,097
Emp. retire plan	4,895	4,603
Dividends payable	2,276	48
Income taxes	15,552	15,843
Curr. Liabilities	\$ 119,528	\$ 71,476
Long-term debt -	29,739	30,056
Minority interest	5,710	5,329
Deferred incentive compensation	8,702	7,161
+ Non-redeem. pref. stock	—	—
\$3 noncum.	115	145
+ + Common stock	19,384	19,205
Add. paid-in capital	19,723	19,156
Cum. trans. adjust.	(10,080)	(7,974)
Retained earnings	117,558	136,601
Treasury stock	(1,946)	(1,927)
Total Liabilities & Shareholders' Equity	\$ 338,473	\$ 278,628

* At lower of cost or market.

#Less accumulated depreciation.

+ No par value.

+ + No par value, \$1.875 stated value.

Statistical Summary

%Income bef. Taxes to Sales	6.45	10.14
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Warnaco, Inc.

% Net Income to Sales	3.65	5.70
% Net Income to Equity	11.71	17.22
Sales to Inventories	3.87	4.90
Working Capital	\$151,123,000	\$155,191,000
Current Ratio	2.26	3.17
Shareholders' Equity	\$174,794,000	\$164,606,000

Wayne-Gossard Corporation

701 Market Street
Suite 922
Chattanooga, Tennessee 37402
(615) 756-8146

Officers: Robert B. Colbert, Jr., chairman of the board, & chief executive officer; Dale C. Jewell, president & chief operating officer; Paul C. Bradshaw, v.p.-finance; chief financial officer & secretary-treasurer; Leslie W. Levy, v.p.; R. Max Yount, v.p.; M. Ted Grubbs, controller & asst. secretary-treasurer.

Directors: George B. Clairmont*, Andre Marcus*, Robert B. Colbert, Jr.*, Herbert C. Kneplin, Joseph L. May, Dale C. Jewell, Dorothy D. Collins*, Arnold S. Jacobs, Harry Huger*

* Member of the Executive Committee

Business Activities: Engaged in the production and sale of men's and boys' knit underwear and sportswear, infants' knitwear, sweaters and knit shirts for men and boys, and women's knit apparel.

Trademarks and/or Brand Names: Heritage U.S.A., Signal, Joan Vass U.S.A., Tipica by Laura Pearson U.S.A.

Plant Locations: LaGrange, Griffin, Georgia; Marion, South Carolina; Rutledge, Chattanooga, Grayville & New Tazewell, Tennessee.

Divisions and Subsidiaries:

Heritage Sportswear Division
Marion, South Carolina
(803) 423-5736

Men's & boys' sweaters & knit shirts and women's knit apparel.

Wayne-Gossard Apparel Group
New York, New York
Fashion apparel for women

Signal Knitting Mills, Inc.
Chattanooga, Tennessee
(615) 266-2175

Men's & boys' knit underwear, sportswear and infants' knitwear.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
Stock Transfer Dept.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: WKT

Sales and Earnings

	Net Sales +	Net Income
1985	\$ 79,229,000	\$ (398,000)
1984	82,539,000	(571,000)
1983	80,055,000	1,203,000
1982	71,629,000	1,904,000
1981	73,491,000	3,175,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,354,348	\$ —
1984	1,354,130	—
1983	1,334,845	0.55
1982	1,309,976	1.08
1981	1,290,700	2.06

(Loss)

+ Of continuing operations only

‡ Based on the average number of shares outstanding

Revenues By Line of Business

	1985	1984	1983	1982
Underwear, sportswear & knitwear	83%	82%	80%	83%
Sweaters & knit shirts	10	14	16	14
Women's knit apparel	6	1	—	—
Other	1	3	4	3
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.20	—	—
1984	0.20	—	—
1983	0.20	—	—
1982	0.20	—	—
1981	0.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share ‡
1985	\$ 20,384,991	\$ 15.05
1984	21,446,684	15.84
1983	22,737,748	17.03
1982	21,792,300	16.64
1981	20,559,486	15.93

‡ After allowing for preferred stock at total involuntary liquidation value

† Based on the average number of shares outstanding

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 79,228,620	\$ 82,539,402
Cost of sales	66,387,507	71,064,810
Expenses	12,369,442	10,801,660
Oper. profit	\$ 471,671	\$ 672,932
Other income	(147,353)	(416,952)
Interest expense	1,344,640	2,589,698
Loss before taxes	\$ (725,616)	\$ (1,499,814)
Tax credit	(328,000)	(929,000)
Net Loss	\$ (397,616)	\$ (570,814)

* Included in Costs and Expenses, Depreciation: \$1,828,831 in 1985 and \$1,665,976 in 1984

Assets

As of Dec. 31	1985	1984
Cash	\$ 548,810	\$ 1,050,062
Market, securities	—	220,493
Receiv., net	9,245,592	12,007,674
Refund inc. taxes	1,385,000	1,369,699
* Inventories	19,447,070	26,797,590
Prepaid expenses	260,189	229,067
Def. inc. taxes	—	427,144
Current Assets	\$ 30,886,661	\$ 41,401,729
* Fixed assets	8,270,553	8,404,895
Other assets	96,975	209,560
Total Assets	\$ 39,254,189	\$ 50,016,184

Liabilities

Long-term debt, curr	\$ 70,000	\$ 92,105
Accts. payable	2,588,265	2,791,870
Accruals	1,427,176	1,455,324
Dividends payable	181,950	181,950
Income taxes	103,760	—
Curr. Liabilities	\$ 4,371,151	\$ 4,521,249
Long-term debt	6,752,118	16,505,597
Def. inc. taxes	669,604	402,604
+ Preferred stock	967,540	976,037
+ + Common stock	4,595,213	4,578,220
Add. paid-in capital	5,135,291	5,135,291
Retained earnings	17,146,626	18,280,540
Treasury stock	(383,354)	(383,354)

Total Liabilities & Shareholders' Equity \$ 39,254,189 \$ 50,016,184

* At lower of cost (LIFO) or market

Less accumulated depreciation

+ No par value

+ + 3.33% par value

Statistical Summary

Sales to Inventories	4.07	3.16
Debt to Equity	0.25	0.58
Working Capital	\$26,515,510	\$36,880,480
Current Ratio	7.07	9.16
Shareholders' Equity	\$27,461,316	\$28,586,734

West Point-Pepperell, Inc.

400 West Tenth Street
West Point, Georgia 31833
(404) 645-4000

Officers: Joseph L. Lanier, Jr., chairman of the board, Clarence J. Kjolten, president; Robert L. Brightman, v.p.-synthetic fiber purchasing; Vance L. Cathey, v.p.-personnel; Charles H. Crowder, Jr., v.p.-mfg.; Robert L. Allen, v.p.-cotton purchasing; Clayton H. Sauer, v.p.-finance; Clifford E. Wilson, asst. controller; Charles M. Reeves, Jr., asst. treas.-credit; Marshall N. Morton, treasurer; C. Powers Dorsett, Jr., secretary & general counsel; Barry F. Shea, asst. secretary & assoc. legal counsel.

Directors: Joseph L. Lanier, Jr., Harry M. Philpott, Yetta G. Samford, Jr., Kendrick R. Wilson, Jr., Charles E. Woodruff, Charles R. Yates, Clarence Kjolten, William H. Flowers, Jr., W. Cecil Bauer, Raymond H. Herzog, Gerald B. Mitchell, C. McKenzie Taylor, Henry H. Henley, Jr., Donald Keller

Business Activities: Produces fabrics for industrial, apparel and household uses, using both natural and man-made fibers; manufactures towels, sheets, blankets, bedspreads, comforters, carpets and rugs; markets a variety of apparel and related items.

Textile Trademarks and/or Brand Names: West Point Pepperell, Martex, Lady Pepperell, Cabin Crafts, Pepperell, Super Blend Denim, Fairfax, Alamac, Vellux, Arrow, Cabin Crafts, Gold Toe, Burberry's, Colours by Alexander Julian

Divisions:

Apparel Fabrics Division
1221 Avenue of the Americas
New York, New York 10020
(212) 382-5000

Plants are located in Shawmut, Ala.; New Braunfels, Tex.; Lindale, Ga.; Ahoskie, Clinton, Elizabethtown, Fairmont, Hamilton, Lumberton, North Carolina; Anderson, South Carolina; Mission Vieja, San Jose, Costa Rica

Carpet and Rug Division

120 East Morris Street
Dalton, Georgia 30720
(404) 272-1400

Plants are located in Dalton, Newnan, Tifton, Milledgeville, Ga.

Consumer Products Division
1221 Avenue of the Americas
New York, New York 10020
(212) 382-5000

Engaged in the manufacture of sheeting and corduroy and yarn dyed shirtings. Plants are located in Abbeville, Huguley, Fairfax, Lanett, Opelika, and River View, Ala.; LaGrange, Ga.; Biddeford, Me.; Keysville, Va.; Chipley, Fla.; New Braunfels, Texas

Industrial Fabrics Division

400 W. 10 Street
West Point, Ga. 31833
(404) 645-4000

Plants are located in Langdale, Lanett, Fairfax and Shawmut, Ala.; LaGrange and Columbus, Ga.; Anderson, S.C., Pulaski and Dublin, Va.

International Division
1221 Avenue of the Americas
New York, New York 10020
(212) 382-5000

Wickes Companies, Inc.

Subsidiaries:

Cluett, Peabody & Co., Inc.
510 Fifth Avenue
New York, New York
(212) 930-3000

Markets a variety of apparel and related items, operating in three basic areas: brand-name merchandise, private label and chain store merchandise and international and licensing.

Arthur Sanderson Companies
United Kingdom

Transfer Agent(s):

Trust Company Bank
Atlanta, Georgia

Stock Exchange(s): New York

Ticker Symbol: WPM

Sales and Earnings

	Net Sales	Net Income
1985*	\$1,204,158,000	\$ 28,361,000
1984	1,333,246,000	55,725,000
1983	1,206,304,000	52,327,000
1982	1,110,573,000	43,067,000
1981	1,221,533,000	41,053,000
	No. of Com. Shares ‡	Earn. per Share ‡
1985	10,318,270	\$ 2.75
1984	10,295,085	5.40
1983	10,330,568	5.10
1982	10,152,657	4.27
1981	10,019,661	4.23

* 53 weeks.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984	1983	1982
Apparel fabrics	22%	28%	30%	32%
Household fabrics	62	58	58	55
Industrial fabrics	16	14	12	13
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1985	\$2.20	—	—
1984	2.20	—	—
1983	1.95	—	—
1982	1.80	—	—
1981	1.65	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 461,436,000	\$ 44.72
1984	454,868,000	44.18
1983	424,718,000	41.11
1982	389,161,000	38.33
1981	361,629,000	36.09

‡ Adjusted to reflect stock split.

Income Account (000's)

Year ended	8/31/85	8/25/84
Net sales	\$ 1,204,158	\$ 1,333,246
Cost of sales	940,307	1,035,622
Depreciation & amort.	47,156	40,175
Expenses	154,901	153,528
Oper. inc.	\$ 61,794	\$ 103,921
Interest expense	61,794	11,971
Other expense (income)	58	(775)
Income before taxes	\$ 48,061	\$ 92,725

Income taxes	19,700	37,000
Net Income	\$ 28,361	\$ 55,725

	8/31/85	8/25/84
Assets (000's)		
Cash	\$ 11,668	\$ 4,843
Accts. receiv., net	192,955	199,149
*Inventories	206,794	198,178
Prepaid expenses	1,810	1,547
Current Assets	\$ 413,227	\$ 403,717
Investments	11,268	12,118
#Fixed assets	358,392	345,030
Total Assets	\$ 782,887	\$ 760,865

	8/31/85	8/25/84
Liabilities (000's)		
Notes payable	\$ 41,000	\$ 38,150
Long-term debt, curr.	6,925	6,243
Accts. payable	76,351	65,277
Accruals	43,730	45,241
Income taxes	5,254	4,523
Curr. Liabilities	\$ 173,260	\$ 159,434
Long-term debt	92,454	97,498
Deferred compensation	5,846	3,387
Deferred inc. taxes	49,891	45,678
+ Common stock	51,591	51,475
Add. paid-in capital	3,728	2,936
Retained earnings	406,117	400,457
Total Liabilities & Shareholders' Equity	\$ 782,887	\$ 760,865

* Principally at cost (LIFO); remainder at lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$5 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.99	6.95
%Net Income to Sales	2.36	4.18
%Net Income to Equity	6.15	12.25
Sales to Inventories	5.82	6.73
Debt to Equity	0.30	0.31
Working Capital	\$239,967,000	\$244,283,000
Current Ratio	2.39	2.53
Shareholders' Equity	\$461,436,000	\$454,868,000

Wickes Companies, Inc.

(formed through the merger of The Wickes Corporation with Gamble-Skogmo)

3340 Ocean Park Boulevard
Santa Monica, California 90405
(213) 452-0161

Officers: Sanford C. Sigoloff, chairman of the board, president & chief exec. officer; Wilhelm A. Mallory, sr. exec. v.p. & chief financial officer; Lawrence P. Friedman, sr. v.p. human resources; Seymour Strasberg, sr. v.p.-strategic planning; Donald D. Strongwater, sr. v.p.-real estate; James M. Van Tatenhove, sr. v.p.-administration; James N. Castleberry, v.p.-controls evaluation and compliance; Michael S. Strick, sr. v.p.-communications; Michael Jamieson, v.p. & controller; Ervin J. Bolks, v.p. & treasurer; Alvin G. Segel, sr. v.p., general counsel & secretary.

Directors: Sanford C. Sigoloff, chairman. Rita E. Hauser, Ellsworth L. Johnson, Preston Silbaugh, Wilhelm Mallory, Sanford Kaplan, Peter Sweet, Edmund M. Kaufman.

Business Activities: In the area of textile manufacturing and marketing, the Mode O'Day subsidiary operates 37 women's apparel stores under the Double Up, Fashion Crossroads and Sarco names, and also manufactures women's fashions which are merchandised through 410 franchised women's specialty apparel stores. The Kayser-Roth Corporation, through its Kayser-Roth Apparel Division, manufactures activewear, sportswear, swimwear, children's wear, intimate apparel, outerwear and other apparel products. These products are sold under a variety of brand names, including Catalina, Cole of California, Sandcastle, Kayser, Sunset Beach, Bay Club, and Her Majesty, as well as private labels. Through its Kayser-Roth Hosiery Division, the subsidiary manufactures women's and

men's hosiery; it markets the women's hosiery under the No Nonsense, Camero, and Long Looks brand names; it markets the men's hosiery under the Interwoven, Supphose, Alder and Gold Cup brand names. The Simmons Universal Corporation manufactures decorative fabrics, curtains and draperies, which are marketed directly to retailers and chain stores. Woman's World Shops retail brand-name fashions in large sizes for women.

In the retail area, the Company operates Wickes Lumber building supply and lumber stores; Builders Emporium home improvement centers; Wickes Furniture home furnishings warehouse showrooms; Leath Furniture centers; Howard Brothers discount department stores; Red Owl retail food stores; and Snyder's Drug Stores.

Other business activities include Yorktowne, which manufactures furniture; Wickes Credit, which purchases and finances accounts receivable generated by the retailing divisions; Western Diversified Services, which offers insurance to individuals and companies; the production of electronic, electrical, and other products for the automotive, aircraft, and construction markets, and distribution of automotive replacement parts.

Textile Trademarks and/or Brand Names: Catalina, Cole of California, Sandcastle, Kayser, Sunset Beach, Bay Club, Her Majesty, No Nonsense, Cameo, Leg Looks, Interwoven, Supphose, Alder, Gold Cup.

Textile Subsidiaries:

Mode O'Day Company
2130 North Hollywood Way
Burbank, California 91505
(213) 843-4340

Kayser-Roth Corporation

Simmons Universal Corporation

Women's World Shops, Inc.
8000 Parkway Drive
La Mesa, California 92041
(714) 460-5902

Transfer Agent(s):

J. Henry Schroder
Bank and Trust Company of New York
One State Street
New York, NY 10015

Stock Exchange(s): American, Pacific

Ticker Symbol: WKS

Sales and Earnings

	Net Sales + (000's)	Net Income # (000's)
1986	\$ 2,806,229	\$ 76,130
1985	1,647,881	296,536
1984	1,495,388	24,794
1983	1,240,435	(248,682)
1982	2,079,496	(258,253)

	No. of Com. Shares	Earn. per Share ‡
1986	133,854,000	\$ 0.47
1985	95,903,000	20.36
1984	14,385,000	1.72
1983	14,385,000	—
1982	14,208,000	—

(Loss)

+ Of continuing operations only.

Including extraordinary gains of \$35,482,000 (\$0.36 per share) in 1986, \$279,522,000 (\$19.13 per share) in 1985 and \$11,618,000 (\$0.81 per share) in 1984.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	\$ —	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	0.52	5%	—

Wickes Companies, Inc.

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1986	\$ 516,902#	\$ 3.86
1985	340,333	3.55
1984	(207,680)	—
1983	(230,206)	—
1982	23,124	1.63

(Deficiency)

After allowing for preferred stock at liquidation value of \$40 per share.

Income Account *

Year ended	1/25/86	1/26/85
Net sales	\$ 2,806,229	\$ 1,647,881
Cost of sales	2,495,027	1,552,068
Taxes	54,801	29,551
Depreciation & amortization	47,501	24,582
Rents	38,116	26,269
Interest expense	125,057	11,972
Gain on sale of eq. secur.	(3,865)	—
Income before taxes	\$ 59,592	\$ 3,439
Income taxes	21,516	2,515
Income-cont. oper.	\$ 28,076	\$ 924
Income-discont. opr.	12,572	16,090
Net income	\$ 40,648	\$ 17,014
Extraordinary gain	35,482	279,522
Net Income & Extraord. Gain	\$ 76,130	\$ 296,536

Assets

As of	1/25/86	1/26/85
Cash & short-term invest.	\$ 80,576	\$ 207,330
Receiv., net	595,217	296,811
*Inventories	723,292	460,123
Assets of discont. oper.	336,349	43,114
Other curr. assets	57,188	23,523
Current Assets	\$ 1,792,622	\$ 930,901
Investments in unconsol. subid.	—	12,836
#Fixed assets	512,784	320,233
Other assets	109,996	39,408
Investments & other receiv.	21,541	9,630
Purch. price in exc. of assets acq.	211,355	—
Total Assets	\$ 2,648,298	\$ 1,313,008

Liabilities

Notes payable	\$ 54,549	\$ 1,651
Long-term debt	140,902	97,535
Accts. payable	238,295	147,426
Accruals	361,044	152,408
Other liabilities	9,276	6,041
Curr. Liabilities	\$ 804,066	\$ 405,061
Long-term debt	726,925	459,687
Cap. lease oblig.	60,463	83,245
Deferred inc. taxes	79,917	24,682
+ Preferred stock	1,840	—
+ Common stock	13,385	9,590
Add. paid-in capital	962,851	393,078
Retained earnings (deficit)	1,021	(50,685)
For. curr. trans. adjust.	(2,170)	(11,650)
Total Liabilities & Shareholders'	\$ 2,648,298	\$ 1,313,008

* At lower of cost (FIFO) or market, not in excess of net realizable value.

Less accumulated depreciation and amortization.

+ \$0.10 par value.

Statistical Summary

%Net Income to Equity	4.16	5.00
Sales to Inventories	3.88	3.58
Debt to Equity	0.94	1.64
Working Capital	\$988,556,000	\$525,840,000
Current Ratio	2.23	2.30
Shareholders' Equity	\$976,927,000	\$340,333,000

The William Carter Company

963 Highland Avenue
Needham Heights, Massachusetts 02194
(617) 444-7500

Officers: Manson H. Carter, chairman of the board & chief exec. officer; Richard G. Holland, Jr., president & chief operating officer; Donald Griffin, exec. v.p.-merchandising; Richard P. Kirchner, v.p.-corp. planning; James B. Haymes, sr. v.p.-finance; James F. Mulcahy, Jr., sr. v.p.-sales; Thomas W. Roberts, Jr., sr. v.p.-manufacturing; William H. Carter, II, sr. v.p.-international; John G. Heald, v.p.-national accounts; John J. Cash, v.p.-sales, Midwestern Region; Robert S. Miller, v.p.-sales & special research; L. Terry Louis, v.p.-sales, Eastern Region; John A. MacEachern, v.p.-sales, Western Region; Thomas A. Moore, treasurer; Fred L. Morse, asst. treasurer & asst. secretary; David Y. Gardner, controller; Stephen W. Carter, clerk.

Directors: Richard G. Holland, Jr., Dana P. Carter, Manson H. Carter, Richard O. Howe, Richard W. Southgate, E. Morton Jennings, Jr., William H. Carter II, Donald J. Griffin, Ellis E. Meredith.

Business Activities: Engaged in the production and sale of infants'wear and playwear, sleepwear and underwear for children, under the brand name of "Carter's." The Company knits the fabric used in the production of its garments. Operates 56 outlet stores which sell Carter products.

Plant Location(s): Barnesville (2), Edison, Milner, Forsyth, Fort Gaines, Griffin, Milner, Thomaston & Sandersville, Ga.; Senatobia, Vicksburg, Centerville, Miss.; Raymondville, Harlingen & Lyford, Tex.

Transfer Agent(s):

The William Carter Company
Needham Heights, Massachusetts 02194

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income +
1985	\$ 211,453,000	\$ 3,063,000
1984	219,230,000	5,543,000
1983	210,000,000	7,585,000
1982	192,191,000	6,878,000
1981	189,695,000	6,842,000

No. of Com. Shares ‡

1985	1,724,564	\$ 1.78
1984	1,717,637	3.23
1983	1,696,723	4.47
1982	1,682,970	4.09
1981	1,679,688	4.07

+ Including extraordinary gain of \$1,751,000 (\$1.02 per share) in 1984.

‡ Based on the weighted average number of common shares and common stock equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	\$0.80	—	—
1984	0.77½	—	3-for-2
1983	0.67½	—	—
1982	0.59½	—	2-for-1
1981	0.51½	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	\$ 73,900,000	\$ 42.85
1984	72,254,000	42.07
1983	67,740,000	39.92
1982	61,022,000	36.26
1981	55,018,000	32.75

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 211,453,000	\$ 219,230,000
Cost of sales	154,376,000	160,290,000
Expenses	48,499,000	48,382,000
Interest expense	4,407,000	5,350,000
Other income	(884,000)	(1,040,000)
Income before taxes	\$ 5,055,000	\$ 6,248,000
Income taxes	1,992,000	2,456,000
Net Income	\$ 3,063,000	\$ 3,792,000
Extraordinary gain	—	1,751,000
Net Income & Extraord. gain	\$ 3,063,000	\$ 5,543,000

* Included in Costs and Expenses. Depreciation: \$4,232,000 in 1985 and \$3,638,000 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	\$ 1,502,000	\$ 886,000
Accts. receiv., net	24,138,000	27,273,000
*Inventories	66,747,000	77,305,000
Prepaid expenses	2,185,000	1,228,000
Current Assets	\$ 94,572,000	\$ 106,692,000
#Fixed assets	36,412,000	36,836,000
Total Assets	\$ 130,984,000	\$ 143,528,000

Liabilities

Notes payable	\$ 2,836,000	\$ 2,289,000
Accts. payable	7,028,000	10,621,000
Accruals	6,567,000	6,827,000
Income taxes	—	769,000
Other liab.	2,661,000	2,091,000
Curr. Liabilities	\$ 19,092,000	\$ 22,597,000
Notes payable	32,190,000	44,274,000
Deferred inc. taxes	5,802,000	4,403,000
+ Common stock	8,645,000	8,624,000
Add. paid-in capital	141,000	90,000
Retained earnings	65,223,000	63,540,000
Treasury stock	(109,000)	—
Total Liabilities & Shareholders' Equity	\$ 130,984,000	\$ 143,528,000

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.39	2.85
%Net Income to Sales	1.45	1.73
%Net Income to Equity	4.14	5.25
Sales to Inventories	3.17	2.84
Debt to Equity	0.47	0.64
Working Capital	\$75,480,000	\$84,095,000
Current Ratio	4.95	4.72
Shareholders' Equity	\$73,900,000	\$72,254,000

Wm. E. Wright Co.

West Warren, Massachusetts 01092
(413) 436-7732

Officers: Robert E. Baur, Jr., president & chief executive officer; Gordon B. Ruesch, treasurer & secretary; Edward M. Milko, controller; Samuel Forrest, Walter L. Kenney, Jr., John E. Liolin, William R. Waldeisen, Jr., v.p.'s.

Directors: John L. Schwab, Peter G. Volanakis, John W. Whiting, Jr., Robert E. Baur, Jr., William R. Waldeisen, Jr., John E. Liolin, Larry L. Pflieger.

Business Activities: Manufactures apparel tapes and trimmings for apparel manufacturers and for the home sewing market, decorator trimmings for home furnishing manufacturers and for the home sewing market; gift ties and bows, Bondex iron-on products, thread and zippers for sale in retail shops.

Plant Locations: West Warren, Mass.; Williamsport, PA; Scarborough, Ontario, Canada.

Trademarks and/or Brand Names: Wrights, Bondex, Trimtex.

Divisions:

Trimtex Company
Williamsport, Pennsylvania
Manufactures and markets knitted, woven and braided trimmings.

Wrights Home Sewing Company
West Warren, Massachusetts
Apparel tapes, trimmings, accessories, iron-on patches, thread and zippers.

Wrights Ribbon Company
West Warren, Massachusetts
Decorative gift ties and bows and craft ribbons.

Wrights of Canada Ltd.
Scarborough, Ontario, Canada
Distributes laces, trims, and apparel tapes throughout Canada for use in the home sewing market.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WRIT (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	\$ 52,146,139	\$ 1,462,725
1984	55,447,103	1,844,864
1983	58,309,224	3,130,952
1982	61,425,387	3,670,627
1981	51,864,650	2,221,528
	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,109,797	\$ 0.69
1984	2,088,920	0.88
1983	2,071,353	1.51
1982	2,173,476	1.69
1981	2,361,308	0.94

‡ Based on the average number of shares outstanding

Revenues By Line of Business

	1985	1984
Apparel tapes, trimmings & accessories	\$ 45,830,000	\$ 49,948,000
Decorative packaging	6,316,000	5,499,000
Total	\$ 52,146,000	\$ 55,447,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$0.38	—	—
1984	0.38	—	—
1983	0.35	—	—
1982	0.31	—	—
1981	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 29,248,453	\$ 13.86
1984	28,552,590	13.57
1983	27,383,310	13.24
1982	24,969,235	12.07
1981	24,210,821	10.21

Income Account *

Year ended June 30	1985	1984
Net sales	\$ 52,146,139	\$ 55,447,103
Other income	324,415	519,050
Total Income	\$ 52,470,554	\$ 55,966,153
Cost of sales	31,247,451	33,538,475
Expenses	18,465,861	18,953,589
Interest expense	216,354	105,340
Other charges	81,105	90,914
Income before taxes	\$ 2,459,783	\$ 3,277,835
Income taxes	997,058	1,432,971
Net Income	\$ 1,462,725	\$ 1,844,864

* Included in Costs and Expenses, Depreciation and Amortization: \$1,280,283 in 1985 and \$1,179,733 in 1984.

Assets

As of June 30	1985	1984
Cash and cash equivalents	\$ 118,636	\$ 679,916
Gov't. securities	2,523,808	2,390,120
Accts. receiv., net	8,133,194	8,240,076
*Inventories	16,928,008	17,201,447
Other assets	1,007,697	845,373
Current Assets	\$ 28,711,343	\$ 29,356,932
#Fixed assets	7,816,511	7,735,708
Other assets	1,163,823	410,162
Intangibles	213,913	254,941
Total Assets	\$ 37,905,590	\$ 37,757,743

Liabilities

Accts. payable	\$ 3,799,222	\$ 3,803,745
Accruals	1,907,924	2,212,500
Income taxes	450,218	930,566
Long-term debt, curr.	90,536	90,444
Curr. Liabilities	\$ 6,247,900	\$ 7,037,255
Deferred compensation	1,726,128	1,352,117
Deferred inc. taxes	354,586	396,634
Long-term debt	328,523	419,147
+ Common stock	1,215,670	1,215,670
Add. paid-in capital	1,526,183	1,504,728
Retained earnings	29,350,615	28,689,654
Cum. trans. effects	(139,028)	(100,144)
Treasury stock	(2,704,987)	(2,757,318)
Total Liabilities & Shareholders' Equity	\$ 37,905,590	\$ 37,757,743

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ \$0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.72	5.91
%Net Income to Sales	2.81	3.33
%Net Income to Equity	5.00	6.46
Sales to Inventories	3.08	3.22
Debt to Equity	0.01	0.02
Working Capital	\$22,463,443	\$22,319,677
Current Ratio	4.60	4.17
Shareholders' Equity	\$29,248,453	\$28,552,590

Wilson Brothers

(42.4% owned by DWG Corporation)

6917 Collins Avenue
Miami Beach, Florida 33141
(305) 866-7771

Officers: Victor Posner, chairman of the board, president & chief exec. officer; Steven Posner, vice chairman of the board & chairman of the exec. comm.; V. Jerome Kaplan, exec. v.p. & chief operating officer; Jack Coppersmith, sr. v.p. & chief financial officer; Raymond J. Dettore, Bernard M. Krakower, Melvin R. Colvin, Bernard I. Posner, sr. v.p.'s; Mitchell V. Gregory, v.p. & controller; K.H.B. Cudmore, v.p. & asst. secretary; David T. Glasser, v.p.-finance & admin.; Renee

Mottram, v.p.-admin.; Philip A. Smalley, Jr., v.p.-personnel & organization; Robert C. Griffin, v.p., treasurer & asst. secretary; Edward A. Christensen, secretary.

Directors: Victor Posner*, Melvin R. Colvin*, Bernard Posner, Roger A. Lew, Daniel Needham, Jr., William L. Pallot, Thomas A. Prendergast, Martin Rosen, Roger D. Stake*, Henry King Stanford, Steven Posner*.

* Member of the Executive Committee.

Business Activities: Conducts its business primarily through its two principal subsidiaries, The Enro Company and Foxcroft Shirt, Ltd. Enro produces and sells high quality men's shirts, and to a lesser extent, sportswear, pajamas and robes. Foxcroft Shirt, Ltd. manufactures women's quality blouses and shirts. Wilson's remaining subsidiaries are engaged in specialty glass decorating and precision plating of various metal components.

Trademarks and/or Brand Names: Enro, Mercedes, Foxcroft.

Plant Location(s): Louisville, Ky.; Lumberton, S.C.; Point Marion & Gettysburg, Pa.; Providence, R.I.; Brooklyn, N.Y.

Subsidiaries:

Enro
Hunter Hill, Inc.
Houze Glass Corporation
Foxcroft Shirt, Ltd.

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): American, Pacific

Ticker Symbol: WLB

Sales and Earnings

	Net Sales +	Net Income #
1985	\$ 64,765,000	\$ (1,499,000)
1984	66,736,000	(2,283,000)
1983	69,572,000	2,252,000
1982	59,091,000	(1,683,000)
1981	53,256,000	(4,752,000)
	No. of Com. Shares	Earn. per Share ‡
1985	3,321,039	\$ —
1984	3,321,039	—
1983	3,321,039	0.32
1982	2,669,594	—
1981	2,669,594	—

(Loss)

+ Of continuing operations only.

Including extraordinary gain of \$1,101,000 (\$0.14 per share) in 1983.

‡ Based on the average number of shares outstanding.

Common Stock Equity *

	Total Equity	Equity Per Share
1985	\$ 933,000	\$ 0.28
1984	2,432,000	0.73
1983	4,715,000	1.42
1982	1,812,000	0.68
1981	3,495,000	1.31

Income Account *

Year ended Dec. 31	1985	1984
Net sales	\$ 64,765	\$ 66,736
Cost of sales	45,201	47,910
Expenses	17,778	18,088
Oper. profit	\$ 1,786	\$ 738
Interest expense	2,974	3,306
Other income	(288)	(285)
Loss bef. equity in affil.	\$ (900)	\$ (2,283)

Wilson Brothers

Equity in affil.	(599)	—
Net Loss	\$ (1,499)	\$ (2,283)

Included in Costs and Expenses, Depreciation and Amortization: \$840,000 in 1985 and \$801,000 in 1984.

Assets (000's)		
As of Dec. 31	1985	1984
Cash	\$ 2,954	\$ 3,765
Receiv. net	13,590	13,848
*Inventories	13,588	16,983
Other assets	877	718
Current Assets	\$ 31,009	\$ 35,314
#Fixed assets	4,417	5,464
Investments	1,032	—
Defer. charges & other assets	111	141
Total Assets	\$ 36,569	\$ 40,919

Liabilities (000's)		
Notes payable	\$ 3,000	\$ 3,000
Long-term debt, curr.	9,234	1,359
Accts. payable	2,898	4,510
Accrued payroll	1,453	1,593
Other liabilities	209	486
Bank financing	3,870	4,992
Curr. Liabilities	\$ 20,664	\$ 15,940
Long-term debt	1,562	9,924
Due to affiliate	12,600	12,004
Other liabilities	810	619
+ Common stock	3,321	3,321
Add. paid-in capital	7,464	7,464
Deficit	(9,852)	(8,353)
Total Liabilities & Shareholders' Equity	\$ 36,569	\$ 40,919

* At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ \$1 par value.

Statistical Summary		
Sales to Inventories	4.77	3.93
Working Capital	\$10,345,000	\$19,374,000
Current Ratio	1.50	2.22
Shareholders' Equity	\$ 933,000	\$ 2,432,000

Sales and Earnings

	Net Sales	Net Income †
1985	\$ 12,975,471	\$ (3,651,565)
1984	12,857,579	2,824,055
1983	14,190,589	704,182
1982	10,757,296	252,354
1981	13,900,525	779,755
	No. of Com. Shares	Earn. per Share †
1985	1,383,690	\$ —
1984	1,383,690	1.78
1983	1,647,250	0.43
1982	1,616,250	0.16
1981	N.A.	0.39

(Loss)
N.A. - Not Available.

† Including extraordinary gains of \$1,601,700 (\$1.01 per share) in 1984, \$350,000 (\$0.21 per share) in 1983, \$96,000 (\$0.06 per share) in 1982 and \$1,171,386 (\$0.58 per share) in 1981.

Common Stock Equity

	Total Equity	Equity Per Share
1985	\$ 1,847,334	\$ 1.34
1984	5,498,899	3.97
1983	3,340,564	2.03
1982	2,554,852	1.58
1981	2,302,498	—

Income Account *

Year ended	12/28/85	12/29/84
Net sales	\$ 12,975,471	\$ 12,857,579
Cost of sales	12,564,358	11,924,477
Expenses	798,782	679,304
Interest expense	74,834	548,712
Loss before taxes	\$ (462,503)	\$ (294,914)
Tax credit	—	(129,000)
Loss - cont. oper.	\$ (462,503)	\$ (165,914)
Income (loss) - discont. oper.	(3,189,062)	1,388,269
Net Income (Loss)	\$ (3,651,565)	\$ 1,222,355
Extraord. gain	—	1,601,700
Net Income (Loss) & extraord. gain	\$ (3,651,565)	\$ 2,824,055

* Included in Costs and Expenses, Depreciation and Amortization: \$369,483 in 1985 and \$363,528 in 1984.

Assets

As of	12/28/85	12/29/84
Cash & short term invest.	\$ 18,201	\$ 2,309,446
Accts. receiv., net	2,580,653	2,123,527
Note receivable	776,835	1,780,564
*Inventories	877,677	1,162,197
Net assets - discont. oper.	360,160	—
Prepaid expenses	63,233	73,539
Current Assets	\$ 4,676,759	\$ 7,449,273
#Fixed assets	4,048,941	4,241,436
‡Leased prop. under cap. leases	374,676	527,342
Note receiv. - Blue Bell	—	776,835
Other assets	330,637	548,367
Total Assets	\$ 9,431,013	\$ 13,543,253

Liabilities

Notes payable	\$ 2,066,635	\$ —
Long-term debt, curr.	1,067,779	2,122,737
Cap. lease oblig., curr.	167,736	162,634
Accts. payable	992,527	1,213,998
Accrued payroll	140,053	166,516
Other accruals	192,119	345,876
Income taxes	—	21,000
Other taxes	49,995	80,446
Curr. Liabilities	\$ 4,676,844	\$ 4,113,207
Long-term debt	2,602,303	3,464,874

Cap. lease oblig.	304,532	466,273
+ Common stock	204,833	204,833
Add. paid-in capital	5,832,320	5,832,320
Retained earnings (deficit)	(3,223,287)	428,278
Treasury stock	(966,532)	(966,532)

Total Liabilities & Shareholders' Equity	\$ 9,431,013	\$ 13,543,253
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* At lower of cost (FIFO) or market.
Less accumulated depreciation.
‡ Less accumulated amortization.
+ \$0.10 par value.

Statistical Summary

%Net Income to Equity	—	22.23
Sales to Inventories	14.78	11.06
Debt to Equity	3.36	1.13
Working Capital	—	\$3,336,066
Current Ratio	—	1.81
Shareholders' Equity	\$1,847,334	\$5,498,899

F.W. Woolworth Co.

Woolworth Building
233 Broadway
New York, New York 10279
(212) 533-2000

Officers: John W. Lynn, chairman of the board & chief executive officer; Harold E. Sells, president & chief operating officer; Arnold S. Anderson, exec. v.p.-administration & general counsel; John H. Cannon, v.p. & treasurer; William K. Lavin, sr. v.p.-finance; Frederick E. Henig, sr. v.p.-worldwide general merchandise operations; vice presidents: Joseph F. Carroll-public affairs; Ted M. Anneberg-deputy general counsel; Roy L. Garofalo-investor relations; Aubrey C. Lewis-corporate liaison; C. Jackson Gray-corporate planning & development; Thomas E. Young-management information systems; William R. Forcht-human resources; William B. Thomson, secretary; assistant vice presidents & asst. secretaries: Jacqueline D. Delafuente-law dept.; James J. O'Neil-taxation; Glen R. Goff-general auditor; Michael T. Steven, Laura T. Kirsner, asst. controllers; Christopher J. Hoey, S. William Manterla, James J. Pirretti, George K. Schubert, Frances E. Trachter, asst. secretaries; Frank J. Marrella, asst. treasurer.

Directors: John W. Lynn*, chairman; Fred Kirby*, Seymour H. Knox III*, Andrew F. Peck*, Margaret P. MacKimm*, John W. Adams*, Jarobin Gilbert, Jr., Harold Sells, Eugene J. Sullivan*, James E. Preston*, Helen Galland*, John J. Mackowski*.

* Member of the Executive Committee.

Areas of Work: Operates a chain of variety stores under the Woolworth name throughout the United States and in Mexico, Canada, Australia, the Caribbean Islands, West Germany and Puerto Rico. Also operates 120 Woolco Department Stores in Canada, a men's wear chain of 310 stores, under the name of The Richman Brothers Company or Anderson-Little, the 3,415 Kinney Shoe Stores and leased departments in the United States, Canada and Australia under the names Kinney, Frugal Frank's, Foot Locker, Lady Foot Locker, Little Folk Shops, Fredelle, and Susie's Casuals, among others. Also operates 37 J. Brannan stores, engaged in the sale of brand name clothing, shoes and household linens.

The Company's Richman Brothers subsidiary manufactures men's suits, sports coats, and slacks.

Divisions and Subsidiaries:

F.W. Woolworth Co. Limited, Canada
F.W. Woolworth Co. G.m.b.H., Germany
Kinney Shoe Corporation
New York, New York
The Richman Brothers Company
Cleveland, Ohio
The RX Place
Holtzman's Little Folk Shop, Inc.
U.S. Woolworth Division
Woolworth Mexicana, S.A. de C.V. (49% owned)

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10007

Winston Mills, Inc.

1457 Broadway
New York, New York 10018
(212) 391-8023

Corporate offices:

P.O. Box 337
Swannanoa, North Carolina 28778
(704) 298-2280

Officers: David Rosen, chairman of the board & chief executive officer; Fred Knox, president; Larry Casper, treasurer; Robert DiPaola, secretary.

Directors: David Rosen, chairman; Fred Knox, Robert DiPaola.

Business Activities: Provides dyeing and finishing services to the textile and apparel industry and converts fabrics for its gabardine program.

Plant Location: Swannanoa, North Carolina.

Transfer Agent(s):

Continental Transfer & Trust Co.
New York, New York & Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WNST (NASDAQ)

Work Wear Corporation, Inc.

Stock Exchange(s): New York, Midwest, Pacific, Boston, Cincinnati, Philadelphia

Ticker Symbol: Z

Sales and Earnings

	Net Sales ‡	Net Income ‡
1985	\$5,958,000,000	\$ 177,000,000
1984	5,737,000,000	141,000,000
1983	5,456,000,000	118,000,000
1982	5,124,000,000	(353,000,000)
1981	5,075,000,000	82,000,000
	No. of Com. Shares †	Earn. per Share †
1985	32,000,000	\$ 5.50
1984	31,500,000	4.45
1983	31,300,000	3.72
1982	30,400,000	—
1981	30,200,000	2.64

(Loss)

‡ Includes sales of leased departments; of continuing operations only

† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	\$2.00	—	—
1984	1.80	—	—
1983	1.80	—	—
1982	1.80	—	—
1981	1.80	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1985	\$1,205,000,000	\$ 37.61
1984	1,028,000,000	32.67
1983	1,005,000,000	31.93
1982	967,000,000	31.55
1981	1,330,000,000	43.84

‡ After allowing for preferred stock at involuntary liquidation value.

Income Account (000's)

Year ended Jan. 31	1986	1985
Net sales	\$ 5,958,000	\$ 5,737,000
Other income	32,000	26,000
Total income	\$ 5,990,000	\$ 5,763,000
Cost of sales	3,952,000	3,853,000
Expenses	1,545,000	1,472,000
Depreciation & amortization	111,000	105,000
Interest expense	68,000	82,000
Income before taxes	\$ 314,000	\$ 251,000
Income taxes	137,000	110,000
Net Income	\$ 177,000	\$ 141,000
Assets	1986	1985
As of Jan. 31		
Cash	\$ 143,000	\$ 119,000
*Inventories	1,264,000	1,108,000
Other assets	114,000	108,000
Current Assets	\$ 1,521,000	\$ 1,335,000
#Fixed assets	838,000	767,000
Leased prop. under cap. leases	90,000	100,000
Def. tax benefits	—	27,000
Other assets	86,000	82,000
Total Assets	\$ 2,535,000	\$ 2,311,000
Liabilities		
Long-term debt & cap. lease oblig., curr.	\$ 14,000	\$ 50,000

Accts. payable	454,000	375,000
Accruals	262,000	235,000
Res. for discount oper.	26,000	33,000
Dividends payable	16,000	15,000
Income taxes	59,000	24,000

Curr. Liabilities	\$ 831,000	\$ 732,000
Long-term debt	245,000	250,000
Other liabilities	74,000	69,000
Oblig. under cap. leases	111,000	122,000
Defer. income taxes	30,000	30,000
Reserve-discount oper.	21,000	57,000
+ Preferred stock	2,000	2,000
+ + Common stock	128,000	115,000
Retained earnings	1,181,000	1,069,000
Treasury stock	(6,000)	(6,000)
For. curr. trans. adj.	(82,000)	(129,000)

Total Liabilities & Shareholders' Equity	\$ 2,535,000	\$ 2,311,000
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* At lower of cost or market. LIFO for domestic inventories; FIFO for foreign.

Less accumulated depreciation.

+ \$1 par value. \$2.20 Series A, convertible.

+ + \$3 1/4 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.27	4.38
%Net Income to Sales	2.97	2.46
%Net Income to Equity	14.47	13.42
Sales to Inventories	4.71	5.18
Debt to Equity	0.30	0.40
Working Capital	\$ 690,000,000	\$ 603,000,000
Current Ratio	1.83	1.82
Shareholders' Equity	\$1,223,000,000	\$1,051,000,000

Work Wear Corporation, Inc.

(Acquired by Paine Webber Capital on June 19, 1986)

1768 East Twenty-Fifth Street
Cleveland, Ohio 44114
(216) 771-4040

Officers: Leighton A. Rosenthal, chairman & president; E. Stanley Hale, v.p.-European operations; Sidney Simon, v.p.-Work Clothes Manufacturing Division; Donald R. Denne, Sr., group v.p.-Health Care Division; Lois L. Wainwright, v.p.-corporate communications; John H. Winters, v.p.-finance & treasurer; Byron N. Cohen, general counsel & secretary; Carl H. Hulsman, controller.

Directors: William B. Goldfarb, Charlotte R. Kramer, Donald Rafelman*, Leighton A. Rosenthal*, Charles Robins*, Matthew J. Stephens, Claud M. Blair, Leonard Kamsky, William A. Matte.

* Member of the Executive Committee.

Business Activities: Engaged in the manufacture and distribution of industrial garments and service apparel, uniforms, career-oriented apparel and disposable products, and the manufacture of men's dress shirts, women's sportswear and outerwear and in the rental and laundering of industrial garments, service apparel and other items.

Textile Trademarks and/or Brand Names: Work Wear, Image Wear, Wiz-Wipes, Sof'N'Secur, Vapor Wear.

Plant Location: Piedmont, Ala.; Blakely & Vienna, Ga.; Gonzales, La.; Laurel & Richton, Ms.; Granby & Jopling, Mo.; Cleveland, Oh.; Pickens, S.C.; Alexandria & Erwin, Tn.; Denison, Garland, Nocona, Palestine, Pleasant Grove, Tx.

Divisions and Subsidiaries:

Rental Services Division - Canada

Work Wear Corporation of Canada Ltd.

La Corporation Work Wear de Quebec

Occupational and Specialized Apparel
Manufacturer of work clothes and industrial garments, service apparel, linen supply garments, and corporate identity uniforms.

Domestic:

Work Wear Corporation, Inc.
Cleveland, Ohio
New York, New York
Industrial clothing.

Miller Manufacturing Company
St. Louis, Missouri
Industrial clothing.

Brew Apparel, Inc.
Cleveland, Ohio
Maplewood, New Jersey
Products include linen supply garments, service apparel for the health care industry.

Sir Shirtmakers
New York, New York
Pickens, South Carolina
Private label uniform, dress and sports shirts.

Action Line Inc.
Garland, Texas

Nurses uniforms and career apparel for uniform stores catering to health care professionals, fast food industry, hotel/motel markets, banks and other financial institutions.

United Uniform Mfg. Co. of Memphis, Inc.
Memphis, Tennessee

Canadian:

Anchor Textiles
Toronto, Ontario
Montreal, Quebec
Washable service apparel production.

Sainthill Levine Uniforms Canada Limited
Toronto, Ottawa, Ontario; Joliette, Quebec; Burnaby, B.C.; Edmonton, Alberta; Winnipeg, Manitoba.
Uniforms, industrial and career apparel, fine clothing and shirts.

Ella Skinner Uniforms, Ltd.
Toronto, Ontario
Montreal, Quebec

McEwen Sainthill Division
Montreal, Quebec

European:

Work Wear Corp., Inc.
European Headquarters
Beeston, Nottingham, England

WearWell Overall Manufacture
Tamworth, Staffs, England
Industrial garments.

Ets. Van Moer, S.A.
Hulshout, Belgium
Industrial garments and washable service apparel.

M.I.C.C. Limited
B'Kara (Valletta), Malta
Industrial garments.

C.I.Gn
Nozay, France
Industrial work clothing.

Work Wear (Deutschland) GmbH
Grevenbrich, West Germany

Health Care:

Mars Manufacturing Company
Asheville, North Carolina

S.E.T.E.N.
Villeurbanne, France

Mars White Knight Disposable Products

Specialized Disposable Products:

Struble & Moffitt Company
Runnemede, New Jersey

M and B Manufacturing Co.
Asheville, North Carolina

Work Wear Corporation, Inc.

Work Wear Corp. of Canada, Ltd.

Wiz-Wipes Division
Toronto, Ontario
Maplewood, New Jersey
Beeston, Nottingham, England

White Knight Hospital Disposables
Childersburg, Alabama
Douglas, Arizona
Dallas, Texas

Percept Division
Norcross, Georgia
Produces disposable and reusable garments and surgical packs for hospital and other medical facilities and disposable work clothing for industry.

Industrias, APSON S.A. de C.V.
Agua Prieta, Sonora, Mexico

Sales and Earnings

	Revenues +	Net Income †
1984	\$ 225,195,000	\$ 6,223,000
1983	204,567,000	5,833,000
1982	191,557,000	344,000
1981	196,373,000	4,340,000
1980	159,080,000	3,115,000

	No. of Com. Shares #	Earn. per Share #†
1984	3,090,636	\$ 2.01
1983	3,069,455	1.90
1982	3,044,835	0.11
1981	3,040,668	1.43
1980	3,024,904	1.03

+ Includes rental service income and sales; of continuing operations only.

† Including extraordinary gain of \$465,000 (\$0.15 per share) in 1983.

Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	\$2.01	—	—
1983	1.75	—	—
1982	0.48	—	—
1981	0.47	—	—
1980	0.43	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1984	\$ 53,666,000	\$ 17.36
1983	50,967,000	16.60
1982	45,882,000	15.07
1981	48,889,000	16.06
1980	46,852,000	15.43

Income Account *

(000's)

Year ended Dec. 31	1984	1983
Revenues	\$ 225,195	\$ 204,567
Cost of sales & services	168,752	152,584
Expenses	35,049	33,216
Interest expense	7,532	6,101
Gen. corp. expense	2,427	2,350
Inc. bef. taxes	\$ 11,435	\$ 10,316
Income taxes	5,212	4,948
Net Income	\$ 6,223	\$ 5,368
Extraord. gain	—	465
Net Income & extraord. gain	\$ 6,223	\$ 5,833

* Included in Costs and Expenses, Depreciation and Amortization: \$2,972,000 in 1984 and \$2,849,000 in 1983.

Assets

(000's)

As of Dec. 31	1984	1983
Cash & cert. of deposit	\$ 12,457	\$ 7,356
Accts. and notes receiv., net	39,711	36,790
*Inventories	55,367	52,003
Prepaid expenses	603	626
Current Assets	\$ 108,138	\$ 96,775
*Fixed assets	16,693	16,934
Other assets	25,343	18,820
Total Assets	\$ 150,174	\$ 132,529

Liabilities

(000's)

Notes payable	\$ 8,185	\$ 1,598
Long-term debt, curr.	1,521	1,588
Accts. payable & accrued payroll	14,144	14,011
Income taxes	7,500	5,962
Other curr. liab.	4,089	2,517
Curr. Liabilities	\$ 35,439	\$ 25,676
Long-term debt	59,785	54,540
Deferred inc. taxes	1,284	1,346
+ Common stock	3,091	3,090
Add. paid-in capital	715	710
Retained earnings	55,275	50,536
Foreign curr. translation adj.	(5,415)	(3,369)
Total Liabilities & Shareholders' Equity	\$ 150,174	\$ 132,529

* At lower of cost (U.S. manufacturing companies at LIFO; all others at FIFO) or market.

Less accumulated depreciation.

+ \$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.08	5.04
%Net Income to Sales	2.76	2.62
%Net Income to Equity	11.60	10.53
Working Capital	\$72,699,000	\$71,099,000
Current Ratio	3.05	3.77
Shareholders' Equity	\$53,666,000	\$50,967,000

Index of Textile Trademark

Note: This listing includes textile and apparel trademarks and brand names only. It pertains only to those publicly-held companies which are listed in this book. Although this listing is not complete, our editors have tried to be as thorough as possible. This is a complete listing of textile and apparel trademarks and brand names. This index is compiled from many sources including information supplied by the companies listed.

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